De Minimis Rate Guidance

The "de minimis" rate is <u>10% of the allowable, modified total direct costs (MTDC)</u> as outlined in <u>2 CFR § 200.68</u>

Programs may only request the de minimis rate if their organization has NEVER received a federally approved indirect rate.

How to Budget the De Minimis Rate:

☐ **Establish the correct indirect cost base amount**
   - The base amount consists of all budgeted costs that fit the federal definition of Modified Total Direct Costs (MTDC)
   - MTDC is defined and outlined in <u>2 CFR § 200.68</u>
   - Match is <u>never included</u> in any calculation of the indirect base
   - The base amount will always be lower than the total award

What should be included in the indirect cost base, per <u>2 CFR § 200.68</u>**:**

Below are some examples *(<u>not</u> an exhaustive list)* of MOVA cost categories and their applicability to the indirect cost base:

☐ Salary: All wages and salaries can be included

☐ Fringe: Most fringe can be included (with the exception of tuition remission, scholarships, and fellowships)

☐ Consultants: Can include up to $25,000 per line item for total award period

☐ Office/Admin: Anything but supplies/supports for clients can be included

☐ Equipment: Items <u>under $5000 per item</u> can be included.

☐ Travel: Travel for staff may be included. Any client travel costs or supports <u>cannot</u> be included.

☐ Contracts: Can include up to $25,000 per line item for total award period

☐ Other: The exceptions are client supports, rent, or anything included in the rental agreement.

What costs are excluded from MTDC, per <u>2 CFR § 200.68</u>**:**

1. Equipment: Items that are greater than or equal to $5,000
2. Capital Expenditures: Land, Renovations to buildings
3. Rent & Items included in the rental agreement
4. Participant Support Cost: The cost to support Clients & Trainees
5. Subawards and Subcontracts in excess of $25K PER ITEM for the grant award
6. Tuition Remission (even if included as a fringe cost for staff)
7. Scholarships & Fellowships (even if included as a fringe cost for staff)