



### Indirect Rates for Grants Awarded by OSPI

The following table provides the indirect rate applicable to different types of entities for grant awards, by funding source:

Entity Type	State	Federal	
School Districts, Charter Schools, Tribal Schools and Tribal Compact Schools	7%	Federal indirect rates as established through OSPI's agreement with the U.S. Department of Education (ED)  See the federal restricted/unrestricted rates here: <a href="https://ospi.k12.wa.us">Indirect Cost Rates (ospi.k12.wa.us)</a>	
ESDs	11%	Per annual letter of agreement by K-12 Financial Resources Division (e-mail <a href="mailto:amy.harris@k12.wa.us">amy.harris@k12.wa.us</a> )	
All other entities (including but not limited to: non-profits and Higher Education Institutions)	10%	Unrestricted*	Restricted*
		Negotiated Indirect Rate between entity and cognizant agency.  **If the entity has never had a negotiated indirect cost rate, the entity may use 10% of MTDC in lieu of a negotiated rate.	8%

These rates may be further limited by state or federal statutes, federal approval, or as negotiated with OSPI.

These do not include state categorical programs that are received through apportionment. The state recovery rate is used for those programs. Those rates can be found here: [Indirect Cost Rates \(ospi.k12.wa.us\)](https://ospi.k12.wa.us)

\* Restricted Rates will be used for all ED programs that contain a “non-supplanting” provision and requires funds to be supplemental to other available funding sources. Unrestricted rates will be used for all other programs. In accordance with EDGAR 34 CFR 76.564(c) “[A] subgrantee of a [state agency] may use (1) an indirect cost rate computed under paragraph (a) [the restricted rate formula]; or (2) an indirect cost rate of eight percent[.]”

\*\* In accordance with the new Uniform Grant Guidance (2 CFR Part 200.414, section (f): An entity that has never received a negotiated indirect cost rate, except for those non-Federal entities described in Appendix VII to Part 200—States and Local Government and Indian Tribe Indirect Cost Proposals, paragraph D.1.b, may elect to charge a de minimus rate of 10% of modified total direct costs (MTDC) which may be used indefinitely....If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-Federal entity chooses to negotiate for a rate, which the non-Federal entity may apply to do at any time.

Modified Total Direct Cost (MTDC): All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.