



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: Indirect Cost Rates (ospi.k12.wa.us)	
ESDs	11%	Per annual letter of agreement by K-12 Financial Resources Division (e-mail amy.harris@k12.wa.us)	
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 15% 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/indirect-cost-rates)

* 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 Uniform Grant Guidance (2 CFR Part 200.414, section (f): "Recipients and subrecipients that do not have a current Federal negotiated indirect cost rate (including provisional rate) may elect to charge a de minimis rate of up to 15 percent of modified total direct costs (MTDC). The recipient or subrecipient is authorized to determine the appropriate rate up to this limit. Federal agencies and pass-through entities may not require recipients and subrecipients to use a de minimis rate lower than the negotiated indirect cost rate or the rate elected pursuant to this subsection unless required by Federal statute or regulation. The de minimis rate must not be applied to cost reimbursement contracts issued directly by the Federal Government in accordance with the FAR. Recipients and subrecipients are not required to use the de minimis rate. When applying the de minimis rate, costs must be consistently charged as either direct or indirect costs and may not be double charged or inconsistently charged as both. The de minimis rate does not require documentation to justify its use and may be used indefinitely. Once elected, the recipient or subrecipient must use the de minimis rate for all Federal awards until the recipient or subrecipient chooses to receive a negotiated rate."

Per CFR 200.1: "Modified Total Direct Cost (MTDC) means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$50,000 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 \$50,000. 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."