Common Budget Calculations

- SOM

# Calculating Indirect Costs (IDC) from a Total Direct Cost (TDC) Base

**IDC Rate** = 54%

**TDC** = $324,000

**IDC** = ($324,000 \* 0.54) = $174,960

**Total Costs** = ($324,000 + $174,960) = $498,960

# Calculating Indirect Costs (IDC) from a Modified Total Direct Cost (MTDC) Base

**IDC Rate** = 54%

**TDC** = $324,000

**Exclusions from F&A Base** = $27,000 (capital equipment); $8347 (tuition); $55,000 (subcontract)

**MTDC** = ($324,000 - $27,000 - $8347 - $30,000‡) = $258,653

**IDC** = ($258,653 \* 0.54) = $139,673

**Total Costs** = ($324,000 + $139,673) = $463,673

*‡ Subcontract costs greater than $25,000 are excluded from MTDC – see below*

# Calculating Total Direct Costs (TDC) from Total Costs with a Known Indirect Cost (IDC) Rate

[e.g. Solicitation states “Budget is capped at $500,000/total costs. Indirects are paid at the institution’s negotiated Federal rate.”]

**IDC Rate** = 54%

**Total Costs** = $500,000

**TDC** = ($500,000 / 1.54) = $324,675

**IDC** = ($324,675 \* 0.54) = $175,325

**Total Costs Check** = ($324,675 + 175,325) = $500,000

# Calculating Total Direct Costs (TDC) when Indirect Costs (IDC) are Presented as a Percentage of Total Costs

[e.g. Solicitation states “Indirect Costs are limited to 12% of the total award amount of $75,000”]

**IDC Rate** = 12%

**Total Costs** = $75,000

**IDC** = ($75,000 \* 0.12) = $9000

**TDC** = ($75,000 - $9000) = $64,000

**Total Costs Check** = ($64,000 + $9000) = $75,000

# Calculating Indirect Cost Rate when Indirect Costs (IDC) are Presented as a Specific Amount of Total Costs

[e.g. Solicitation states “Indirect Costs may not exceed $15,000. Total Costs may not exceed $130,000.”]

**IDC** = $15,000

**Total Costs** = $130,000

**TDC** = ($130,000 - $15,000) = $115,000

**IDC Rate** = ($15,000 / $115,000) = 13.043478%

**IDC Rate Check** = ($115,000 \* 1.13043478) = $130,000

# Calculating Direct Costs (DC) for NIH $500,000 Cap Limit with Subawards

[e.g. Solicitation states “Budgets are capped at $500,000/direct, excluding subcontractor indirects”]

**Sub Site DC** = $125,000

**Sub Site IDC** = $70,000

**Prime Site DC** = $330,500

**Prime Site TDC** = ($330,500 + $125,000 + $70,000) = $525,500

**Prime Site DC for $500k Cap** = ($330,500 + $125,000) = $455,500

# Calculating Indirect Costs (IDC) for Total Direct Costs (TDC) on Modular Budgets

**IDC Rate** = 54%

**Actual DC** = $118,645

**Modular DC Requested** = $125,000

**IDC** = ($125,000 \* 0.54) = $67,500

**Total Costs** = ($125,000 + $67,500) = $192,500

# Calculating Indirect Costs (IDC) for Modified Total Direct Costs (MTDC) on Modular Budgets

**IDC Rate** = 54%

**Actual DC** = $118,645

**Modular DC Requested** = $125,000

**Exclusions** = $12,150 (patient care); $12,000 (equipment)

**MTDC** = ($125,000 - $12,150 - $12,000) = $100,850

**IDC** = ($100,850 \* 0.54) = $54,459

**Total Costs** = ($125,000 + 54,459) = $179,459

# Calculating Indirect Costs (IDC) for Modified Total Direct Costs (MTDC) on Modular Budgets with Subawards

**IDC Rate** = 54%

**Sub Site DC** = $20,000

**Sub Site IDC** = $14,500

**Prime Site DC** = $85,000

**Prime Site TDC** = ($85,000 + $20,000 + $14,500) = $119,500

**Modular DC Requested** = $125,000

**MTDC** = ($125,000 - $9500‡) = $115,500

**IDC** = ($115,500 \* 0.54) = $62,370

**Total Costs** = ($125,000 + $62,370) = $187,370

*‡ Subcontract costs greater than $25,000 are excluded from MTDC – see below*

# *‡* Modified Total Direct Costs (MTDC) Exclusions (from Federal Indirect Cost (IDC) Rate Agreements)

**SOURCE:** <https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-A/subject-group-ECFR2a6a0087862fd2c/section-200.1>

* capital equipment
* capital expenditures
* rent
* tuition remission
* participants support costs
* the portion of each subaward in excess of $25,000