

## Massachusetts College of Emergency Physicians Grant Program Policy

### Indirect vs. Direct Costs Guidelines

MACEP does not have a written indirect cost policy for our resident grant program. If indirect costs exceed more than 20% of direct costs, the grant review committee may wish to discuss further with the grant applicant to justify the indirect cost amounts.

**Direct costs** are those for activities or services that benefit specific projects, e.g. salaries for project staff and materials required for a particular project. Because these activities are easily traced to projects, their costs are usually charged to projects on an item-by-item basis.

**Indirect costs** are those for activities or services that benefit more than one project. Their precise benefits to a specific project are often difficult or impossible to trace.

It is possible to justify the handling of almost any kind of cost as either direct or indirect. Labor costs, for example, can be indirect, as in the case of administrative personnel or they can be direct, as in the case of contract staff. Similarly, materials such as supplies purchased in bulk are typically handled as indirect costs, while materials required for specific projects are charged as direct costs.

#### **Direct costs examples:**

- Project staff
- Project related research and scientific supplies
- Project equipment
- Publications
- Postage and Printing
- Travel

#### **Indirect costs examples:**

- Administrative costs
- Telephone charges
- Computer use
- Office supplies

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