Policy on Reimbursement of Overhead/Indirect Costs on Grant Awards

I. Definition of Overhead/Indirect Costs (Subject to Reimbursement Limitations)

The Great Lakes Fishery Trust (GLFT), for the purposes of its grant awards, has determined that the following items will be considered overhead costs subject to the restrictions and limitations cited under this policy:

1. Salaries/wages/fringe benefits or other costs of any administrative support staff employed by the grant recipient not specifically identified in the grant or charged to the project, or costs for any individual not recorded and documented on the reimbursement forms provided by the GLFT. (This would normally include clerical, administrative, and support personnel.)

2. The cost of routine office supplies, materials, phones service, mail handling, utilities, copying, faxing, office workspace, and other similar items not specifically identified in the grant award as reimbursable direct costs.

3. The cost of equipment purchase or use not specifically identified as reimbursable equipment purchase or rental (lease) in grant agreement.

II. Overhead/Indirect Costs Limitation

For the purpose of its grant awards, the GLFT has placed the following limitations on reimbursement for overhead costs:

1. Overhead costs defined in this policy will be limited to 10 percent of the total salaries and wages authorized for reimbursement under the terms of a grant.

2. Reimbursement for overhead costs, when authorized as part of a grant, will be calculated and paid at a rate not to exceed 10 percent of the salaries and wages, excluding fringe benefits, approved for payment.

3. No payments for overhead costs will be made unless those costs are included in the original budget and approved by the GLFT prior to execution of a grant agreement.

III. Exclusions from Overhead/Indirect Costs

The GLFT, for the purpose of its grant awards, has determined that the following items will not be considered overhead costs (i.e., reimbursement under a grant award can occur without application of the specific limitations contained in this policy for the listed items).

1. Salaries and wages of individuals, whether or not they are already compensated by the grant recipient, provided their role in meeting the project objectives is substantive and outlined in an approved project proposal, and the number of hours worked on the grant is clearly identified and documented on forms provided by
the GLFT manager. Such compensation to individuals employed by the grant recipient shall be limited to the actual wage rate paid on an hourly basis (prorated on the basis of a 2,080 hour full-time salary or appropriate fractions thereof).

2. Fringe benefits of individuals identified under item III.1 above are reimbursable under either of two alternative approaches. Reimbursement of fringe benefits for individuals working on the grant and employed by the grant recipient can be either (a) actual fringe benefits paid, or (b) based on a formula established by the grant recipient that applies to broad classes of employees (e.g. full-time faculty, other faculty, technicians, students).

3. The grant recipient would select one of the two options to cover all employees for which it intended to request reimbursement, and the fringe benefit reimbursement in either case would be prorated based upon the number of hours worked. Payments would be made as a percentage of salaries and wages reimbursed under the terms of the grant.

IV. Implementation/Duration of Policy
The manager of the GLFT has the authority to interpret this policy on behalf of the GLFT once a grant award is made in order to administer the grant effectively. The GLFT may rescind or modify this policy with respect to future grants. The GLFT, at its discretion, may exclude all or a portion of the overhead/indirect costs at the time the grant is awarded.

Approved by the Board of Trustees on April 16, 1998