

K12 Strong Workforce Program

Calculating Indirect Costs

Instructions. K12 SWP allows LEAs to charge up to 4% indirect in their K12 SWP budget. Indirect can only be charged in the budget and cannot be listed as match. Indirect is calculated based on your direct project costs, and not based on the total award amount. Use the steps below to calculate the maximum indirect for your award.

1. Since you already know your total award amount, start there.
2. Divide your total award amount by 1.04. The result is your direct cost base.
3. Multiply your direct cost base by 4%.
4. If the product includes cents, round down to the nearest dollar. The result is your maximum indirect.
5. Add your direct cost base to your indirect to get to your total award amount.
6. See the examples below.

Examples

Steps to Calculate Maximum Indirect	Grant A	Grant B	Grant C
1. Total award amount	\$885,000	\$459,876	\$190,000
2. Total / 1.04 = direct cost base	\$850,961.53	\$442,188.46	\$182,692.30
3. Direct cost base x .04	\$34,038.46	\$17,687.54	\$7,307.69
4. Drop cents to get maximum indirect amount	\$34,038	\$17,687	\$7,307
5. Direct cost + indirect = total award amount	\$850,962 <u>\$34,038</u> \$885,000	\$442,189 <u>\$17,687</u> \$459,876	\$182,693 <u>\$7,307</u> \$190,000