

CALCULATION OF 30% OF TFFA INDIRECT COST LIMITATION

1. How can I determine the applicable indirect cost (IDC) cap for a particular program?

Each request for application (RFA) will stipulate the applicable IDC cap with additional details in the “Funding Restrictions” section. NIFA also provides a chart with indirect cost information on a program-by- program basis (see <https://nifa.usda.gov/resource/indirect-cost-chart>).

2. How do you calculate the maximum indirect cost (IDC) when the 30% of the Total Federal Funds Awarded (TFFA) cap is applicable to the program? Below are two scenarios: scenario one applies when there are no subs and scenario two applies when subs are involved.

Scenario One

PRIME

- A. Lesser of IDC amount based on negotiated rate or 30% of total federal funds Awarded (TFFA) = Maximum for Prime Budget

Scenario Two

PRIME

- A. Lesser of IDC amount based on negotiated rate or 30% of TFFA = Maximum for Prime Budget

SUB

- B. Lesser of IDC amount based on negotiated rate or 30% of the subs’ TFFA = Maximum for Sub Budget

IDC for A. + IDC for B. (sum of all subs) = cannot exceed 30% of TFFA. Otherwise, the prime and the subrecipient(s) indirect costs must be adjusted so the total indirect costs charged under the award does not exceed 30 percent of the TFFA to the prime (or pass-through entity).

3. How would I determine the allowable indirect costs (IDCs) if this is my budget?

	Totals (\$)	Totals (\$)
Section A, Senior/Key Person:		360,520
Section B, Other Personnel:		197,266
Total Number Other Personnel:	8	
Total Salary: Wages and Fringe Benefits (A+B)		557,786
Section C, Equipment:		0
Section D, Travel:		70,060
1. Domestic	70,060	
2. Foreign		
Section E, Participant/Trainee Support Costs:		0
Section F, Other Directs Costs:		72,154
1. Materials and Supplies	4,349	
2. Publication Costs	1,600	
3. Consultant Services	36,000	
4. ADP/Computer Services	0	
5. Subawards/Consortium/Contractual Costs	0	
6. Equipment or Facility Rental/User Fees	8,105	
7. Alterations and Renovations	0	
8. Other 1	22,100	
9. Other 2	0	
10. Other 3	0	
Section G. Direct Costs (A thru F):		700,000
Section H. Indirect Costs:		300,000
Section I. Total Direct and Indirect Costs (G. + H.)		1,000,000
Section J. Fees		0
Section K. Total Costs (I. + J)		1,000,000
NICRA is 53% of Modified Total Direct Costs (MTDC)		

Maximum IDC Allowed = 30% of total federal funds awarded (TFFA)=\$1,000,000 X .3 = \$300,000.

IDC amount based on NICRA = MTDC (\$700,000 - 8,105 equipment) X 53% = \$691,895 X 0.53 = \$366,704.

The lesser amount of the above two calculations is \$300,000 and therefore is the maximum IDC allowable.

4. How would I determine the indirect costs (IDCs) if this is my budget?

	Totals (\$)	Totals (\$)
Section A, Senior/Key Person:		211,702
Section B, Other Personnel:		0
Total Number Other Personnel:	0	
Total Salary: Wages and Fringe Benefits (A+B)		211,702

Section C, Equipment:		0
Section D, Travel:		15,000
1. Domestic	12,500	
2. Foreign	2,500	
Section E, Participant/Trainee Support Costs:		0
Section F, Other Directs Costs:		161,532
1. Materials and Supplies		
2. Publication Costs	0	
3. Consultant Services	4,000	
4. ADP/Computer Services	0	
5. Subawards/Consortium/Contractual Costs	152,532	
6. Equipment or Facility Rental/User Fees	0	
7. Alterations and Renovations	0	
8. Other 1	5,000	
9. Other 2	0	
10. Other 3	0	
Section G. Direct Costs (A thru F):		388,234
Section H. Indirect Costs:		111,712
Section I. Total Direct and Indirect Costs (G. + H.)		499,946
Section J. Fees		0
Section K. Total Costs (I. + J)		499,946
Prime's NICRA is 55% of Modified Total Direct Costs (MTDC)		

Sub's NICRA is 52% of Modified Total Direct Costs (MTDC) with MTDC = \$106,773.

PRIME:

Maximum IDC Allowed = 30% of TFFA = \$499,946 x .30 = \$149,984

IDC based on NICRA rate = 55% of MTDC = (\$388,234 - (\$152,532 - \$25,000)*) X 55% = (\$388,234 - \$127,532) X .55 = \$143,386

*MTDC allows first \$25,000 for each subrecipient

SUBAWARD:

Maximum IDC Allowed = 30% of TFFA = \$152,532 x 30% = \$45,760

IDC based on NICRA rate = 52% of MTDC = \$106,773 x .52 = \$55,522

The lesser amount for:

Prime \$143,386 plus

Subaward \$45,760 = \$189,146, which exceeds 30% of Prime's TFFA of \$149,984.

Prime and the subrecipient(s) must agree on an allocation of IDCs so that the total IDCs charged under the award does not exceed 30 percent of the prime's (or pass-through entity) TFFA (\$149,884 is maximum allowable).

5. How would I determine the indirect costs (IDCs) if this is my budget?

	Total Fed (\$)	Total Non-Fed (\$)	Totals (\$)
Section A, Senior/Key Person:	355,084	0	366,084
Section B, Other Personnel:	75,666	0	75,666
Total Number Other Personnel:			18
Total Salary: Wages and Fringe Benefits (A+B)	430,750	0	430,750
Section C, Equipment:	0	0	0
Section D, Travel:	11,845	0	11,845
1. Domestic	11,845	0	0
2. Foreign	0	0	0
Section E, Participant/Trainee Support Costs:	0	0	0
Section F, Other Directs Costs:	107,410	272,160	379,570
1. Materials and Supplies	21,500	0	21,500
2. Publication Costs	0	0	0
3. Consultant Services	0	0	0
4. ADP/Computer Services	2,600	0	2,600
5. Subawards/Consortium/Contractual Costs	0	0	0
6. Equipment or Facility Rental/User Fees	0	230,400	230,400
7. Alterations and Renovations	0	0	0
8. Other 1	8,640	41,760	50,400
9. Other 2	58,512	0	58,512
10. Other 3	16,158	0	16,158
Section G. Direct Costs (A thru F):	550,005	272,160	822,165
Section H. Indirect Costs:	49,995	0	49,995
Section I. Total Direct and Indirect Costs (G+H)	600,000	272,160	872,160
Section J. Fees	0	0	0
Section K. Total Costs (I. + J)	600,000	272,160	872,160
NICRA is 9.09% of MTDC			

Maximum IDC Allowed = 30% of TFFA = \$600,000 x 30% = \$180,000

IDC amount based on NICRA rate = 9.09% of MTDC = \$550,005 X 9.09% = \$49,995

The lesser amount of the above two calculations is \$49,995 and therefore is the maximum allowable for Prime.

The subrecipient(s), if there are any, are allowed to charge up to the remaining IDC of \$130,005, which is the maximum \$180,000 less the prime IDC of \$49,995.

**** Disclaimer:** The contents of this document do not have the force and effect of law and are not meant to bind the public in any way. This document is intended only to provide clarity to **NIFA award recipients** regarding existing requirements under the law or agency policies.