**Grants Administration Division**

# Maximum Indirect Costs Worksheet

With data entered by the grantee, this worksheet automatically calculates the maximum that may be claimed in indirect costs for a grant administered by TEA. Any amount calculated for indirect costs is an estimate only. Indirect costs are claimed based on actual expenditures declared on the expenditure reporting (ER) system, regardless of whether you have included indirect costs on the Budget Summary in the original application or amendment. An amendment is not required solely for the purpose of budgeting indirect costs.

Complete the worksheet as follows:

* Yellow indicates a table cell where data input is required. After entering input, tab to the next yellow cell.
* Light gray indicates a cell where an automatic calculation takes place; no input is required.
* Dark gray indicates a cell that corresponds to instructions; no input is required.

**Note:** Definitions for the terms *subgrant* and *subcontract* are provided below the table.

| **#** |  | **Description** | **Amount** |
| --- | --- | --- | --- |
| **1** |  | Enter the total costs budgeted for the grant program. | $0.00 |
| **2**  |  | Refer to the Program Guidelines of the grant program to determine whether to use the restricted or unrestricted rate. The Program Guidelines can be found on the [TEA Grant Opportunities](https://tea.texas.gov/GrantOpportunities) website.If you must use a restricted rate and the following costs are budgeted in your application, enter the budgeted amount.If you must use an unrestricted rate, enter 0. |  |
|  | **a** | Function 51, 6100-6400: Operations and plant maintenance related to performance of the grant | $0.00 |
| **3** |  | Line 2a is subtracted from line 1 and the result entered here. This is your total budgeted costs less restricted rate exclusions. | $0.00 |
| **4** |  | The total budgeted costs less restricted rate exclusions include costs that all grantees must exclude from the indirect costs calculation. If the following costs are budgeted in your application, enter the budgeted amount(s) on lines 4a–4e: |  |
|  | **a** | The portion of each subcontract that is in excess of $50,000 (6219) | $0.00 |
|  | **b** | Subgrants**,** regardless of dollar amount (6290) | $0.00 |
|  | **c** | Debt service (6500) | $0.00 |
|  | **d** | Capital outlay (6600) | $0.00 |
|  | **e** | Building purchase, construction, or improvements (6620) | $0.00 |
| **5** |  | The excluded costs listed in lines 4a–4e are added and their total entered here. | $0.00 |
| **6** |  | Line 5 is subtracted from line 3 and the result entered here.**ISDs, ESCs, and *all* open-enrollment charter schools will use this result as their modified total direct costs. Skip to line 12, where this result is entered.** | $0.00 |
| **7** |  | IHEs and NPOs must exclude additional costs.If you are one of those entity types and the following costs are budgeted in your application, enter the budgeted amount(s): |  |
|  | **a** | Rental or lease of buildings, space in buildings, or land (6269) | $0.00 |
|  | **b** | Scholarships or fellowships (6200)**NOTE: For NPOs, this is not an allowable cost for federal grants.** | $0.00 |
| **8** |  | The additional excluded costs listed in line 7a–7b are added and their total entered here. | $0.00 |
| **9** |  | Line 8 is subtracted from line 6 and the result entered here.**NPOs will use this result as their modified total direct cost. Skip to line 12, where this result is entered.** | $0.00 |
| **10** |  | IHEs must exclude a final additional cost.If you are an IHE and the following cost is budgeted in your application, enter the budgeted amount: |  |
|  | **a** | Tuition remission (6100) | $0.00 |
| **11**  |  | Line 10a is subtracted from line 9 and the result entered here.**IHEs will use this result as their modified total direct costs. Continue to line 12, where this result is entered.** | $0.00 |
| **12** |  | **YOUR MODIFIED TOTAL DIRECT COSTS (from line 6, 9, or 11):** | $0.00 |
| **13** |  | Enter your restricted or unrestricted indirect costs rate, as required in the grant’s Program Guidelines, here as a decimal value: (Examples: 3.161% = 0.03161; 17.51% = 0.1751) | 0.00% |
| **14** |  | Line 12 is multiplied by line 13. Drop the cents (not rounded up). This is the maximum in indirect costs that you may claim for the grant. | $0.00 |

Subcontracts and subgrants may be primarily distinguished as follows:

* A **subcontract** is a legal instrument by which a subrecipient conducts procurement transactions under an award. It is for the purpose of obtaining goods and services for the subrecipient’s use and creates a procurement relationship with a contractor.
* A **subgrant** is a legal instrument of financial assistance between an awarding agency (such as TEA) and a subrecipient of funds (grantee) to carry out a public purpose.