



# Effective Indirect Cost Management for Federal Grants

Guidance for NCDA&CS Personnel



# Why Indirect Cost Management Matters



Supports administrative  
infrastructure and  
compliance



Ensures program  
sustainability



Strategic decisions  
impact financial  
outcomes



# Key Recommendations

Develop	Develop robust onboarding plans for timely hiring
Review	Review expenses monthly/quarterly against budgets
Apply	Apply correct indirect cost rates with documentation
Prioritize	Prioritize filling budgeted positions



# Financial Practices



Routine drawdowns and transfers to Indirect Cost Reserve



Use dashboards to monitor recovery



Adjust budgets for NICRA changes as agreed upon with the grantor



# Internal Controls & Training



Strengthen  
interdepartmental  
communication



Provide targeted  
training on policies



Agency-level review  
of grant applications



## Further Considerations

Require

Require written approval to forgo indirect costs



Explore

Explore NICRA extensions (up to 4 years)



Ensure

Ensure senior management oversight



# Resources & Links

USDA Indirect Cost Policy: <https://www.usda.gov/directives/dr-2255-001>

NIFA USDA Indirect Costs:  
<https://www.nifa.usda.gov/grants/regulations-and-guidelines/indirect-costs>

NIH Indirect Cost Guidance:  
<https://www.grants.nih.gov/grants/guide/notice-files/NOT-OD-25-068.html>

CDPH Indirect Cost Rate Program:  
<https://www.cdph.ca.gov/Programs/CFH/DMCAH/Pages/Indirect-Cost-Rate.aspx>

TEA Indirect Cost Rates: <https://tea.texas.gov/finance-and-grants/grants/federal-fiscal-compliance-and-reporting/indirect-cost-rates>