

## **OMMH Grants' Costs Definition**

### **Indirect Costs**

- Indirect cost means those costs incurred for a common or joint purpose benefitting more than one cost objective, and is not readily assignable to the cost objectives specifically benefitted.
- The allocation of facilities cost is a method of direct costing facilities that are commonly found to be assigned to Indirect Costs for nonprofit organizations and relates to two broad categories of facilities and administrative. Facilities is defined as depreciation on buildings, equipment and capital improvement, interest on debt associated with certain buildings, equipment and capital improvements, and operations and maintenance expenses.

### **Allowability of Facility Costs**

Facility costs as a direct cost will be allowed but the applicant must submit an allocation plan describing how the rate per square feet was derived. Please have in mind that if you direct costs facilities those costs will generally be considered administrative costs, unless a clear justification is accepted by the application reviewers.

### **Programmatic Costs**

For OMMH grants, programmatic costs are those costs that are providing exclusive and direct provision of constituent services. Full time employees who work partially on other programs may charge time worked on this award. However, it is necessary for the grantee to employ a detail and comprehensive timekeeping system.