Applicants for subawards from pass-through entities may be eligible to use federal funds for indirect costs under 2 C.F.R. §§ 200.331, 200.414, Appendix IV and V to Part 200, and other sections of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements ("Uniform Guidance"). The Uniform Guidance provides these options to an applicant with respect to an Indirect Cost Rate:

1. The applicant can elect to use its approved federally recognized ICR.
   a. The applicant must submit a copy of the federal approval of its ICR with the applicant’s application for funding.
   b. The applicant can elect to seek indirect costs at a rate LOWER than their federally recognized ICR but is still required to submit a copy of the federal approval of their ICR with its application.

2. If the applicant has never had an ICR negotiated with the Federal Government and the applicant meets the conditions below, it may claim indirect costs using the 10% de minimis indirect cost rate.
   a. By choosing this option, the applicant is certifying that the entity meets the following criteria to be qualified for the de minimis rate:
      i. The entity is a non-federal, non-state or local government that has never received a federally recognized negotiated ICR.
      OR
      ii. The entity is a state or local government that has never received a federally recognized negotiated ICR AND receives less than $35 million in federal funding.
   b. The 10% de minimis ICR is applied to Modified Total Direct Costs (MTDC), which is defined per 2 C.F.R. § 200.68 as:
      i. All direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000.
   c. Costs must consistently be charged as indirect or direct; costs may not be double charged or inconsistently charged as both, as per 2 C.F.R. § 200.414(f).
   d. If chosen, this methodology once elected must be used consistently for all Federal awards until such time as a non-federal entity chooses to negotiate for a rate, which the non-federal entity may apply to do at any time, as per 2 C.F.R. § 200.414(f).

3. The applicant may choose not to seek indirect costs.