

PUBLIC	<b>PARTNER INDIRECT COSTS POLICY</b>	
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**1. PURPOSE AND SCOPE**

This policy defines the extent to which FIND will finance the indirect costs of partners. These costs may not be directly attributable to a project but are real and necessary to operate as an organization. However, as a non-profit organization FIND relies on donor-funding, which is provided to FIND under contractually defined conditions. FIND has therefore adopted a practice since its inception that is in line with the indirect cost rates that it receives as a funded entity, and with this Policy, FIND is formalizing this practice. This Policy applies to all partners working with all FIND offices.

**2. DEFINITION OF INDIRECT COSTS**

Indirect costs are overhead expenses incurred by a partner as a result of a FIND project, which are not easily identified with the specific project. Generally, indirect costs are defined as administrative or other expenses that are not directly allocable to a particular activity or project; rather they are related to overall general operations and are shared among projects and/or functions. (Indirect costs are sometimes referred to as “overhead costs” and by some governments as “facilities and administrative costs”). Examples include facilities expenses, e.g. rent, utilities, equipment for headquarters, and associated information systems, and expenses for support and administrative staff such as HR, general finance, accounting, IT, and legal. Expenses that would be incurred regardless of whether the partner project is funded are often indicative of indirect costs.

**3. POLICY**

FIND will generally accept a percentage of direct costs as a contribution to the indirect costs of a partner organization based upon need. FIND may request partners to justify their indirect cost requirements.

The maximum acceptable percentage will be the lower of the following, unless FIND’s donor agreement stipulates otherwise:

- a) 15%
- b) the actual indirect rate of the organization

**4. CONFIDENTIALITY**

Partners can receive a copy of this policy but not the underlying donor agreement(s).

**5. RATIONALE**

The primary rationale is that FIND is a not-for-profit organization that has a duty of care with respect to donor funds, which are frequently public funds. To that end, the organization strives to maintain a lean indirect costs structure, and constantly monitors its indirect costs in order to ensure cost-effective activities. FIND expects the same of its partners that receive project funding under these grants.

Furthermore, this policy ensures FIND complies with its donor agreements.

**6. CHANGE HISTORY**

New version # / date	Old version # / date	No. of changes	Description of changes	Source of change request
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