

WFF Indirect Cost Guidelines

The following outlines the Walton Family Foundation's guidelines regarding indirect costs that support necessary expenses but are not directly attributable to projects or activities being funded by Foundation grants. These guidelines do not apply to general operating support or endowment grants.

Definitions

Direct costs are costs specific to a particular program or project, such as salaries and travel for project staff, project-required materials and project-required facilities. These costs would not be incurred if not for the existence of the program or project being funded.

Indirect costs are costs for activities or services that support the entire organization and cannot be tracked directly to a grant program or project. Examples include administrative support (e.g., finance and accounting, human resources, information technology), facilities (e.g., rent, utilities), fundraising and board management expenses.

There may be situations when a Program Officer will work with a grantee to treat budget line items that are typically considered indirect costs as direct costs. Examples include:

- **Shared costs** – A portion of costs which benefit multiple programs or projects (e.g., rent, utilities, phone, internet) may be considered direct project costs if they can be reasonably allocated across program / project budgets.
- **Capacity building or specific operational support** – When a purpose of a grant is to fund items that are typically considered indirect costs to help build capacity or for specific operational support, these costs may be considered direct project costs. Examples include audit expenses, bookkeeping services, website design and fundraising.

Indirect Cost Coverage

The Foundation will consider paying for indirect costs up to a maximum of 20% of total direct project costs, except in the case of grants to universities and intermediary organizations, in which case the indirect cost rate may not exceed 15%. Indirect costs do not have to be itemized, but the Program Officer may request this at their discretion.

Expenditure Responsibility

WFF will only pay for indirect costs on grants for which the Foundation is exercising expenditure responsibility if the Program Officer can verify that the indirect costs support charitable purposes.

For additional questions or assistance, please contact WFF Grants Administration (grantsadmin@wffmail.com).

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