Understanding Indirect Costs in Opioid Settlement Fund Grant Applications

Indirect costs are expenses that support the overall operation of an organization rather than the specific program or activity. Understanding which expenses are considered indirect can help applicants prepare accurate budgets and ensure compliance with funder requirements.

Common Organizational Indirect Cost Examples



Facilities Costs

Property taxes
Utilities (water, electricity, internet)
Maintenance and repair costs



Office Expenses

General supplies
Postage
Office equipment



Other Overhead Costs

Business insurance
Bank fees
Membership dues and expenses



Administrative Costs

Support overall organization salaries and benefits for staff
such as HR, payroll, accounting, & executive leadership

To determine whether a cost is direct or indirect, consider:

- Is this cost directly and exclusively tied to the program? ***If yes, direct***
- Is the cost necessary to carry out a specific program activity? ***If yes, direct***
- Does the cost benefit multiple programs at once? ***If yes, indirect***
- Is this expense part of your organization's standard overhead? ***If yes, indirect***

Best Practice Tips for Applicants

No Overlapping Expenses

Charges are either direct or indirect- you cannot charge an expense as a direct cost if it is already listed in your indirect costs (ex. rent or administrative staff salary).

Review Grant Expectations

Ensure your budgeted indirect rate matches the grant expectations stated in the application.

Be Consistent

You must treat costs consistently across all funding sources. If you classify an expense indirect cost for one grant, you cannot classify that exact same type of expense as a direct cost on a different grant.

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