



OPIOID RESTITUTION FUND GRANT INDIRECT COST GUIDE

January 2026



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Overview

In 2018, Baltimore joined the state and jurisdictions around the country in suing the companies responsible for the devastating wave of addiction and overdose. In 2022, Baltimore declined global settlements and opted to make the case on its own. As a result, the City has reached awards totaling \$579.9 million. As part of the awards received by the City, 22 programs totaling \$87 million in commitments were named in settlements to address the opioid crisis in Baltimore.

In August 2024, Mayor Brandon M. Scott signed an [Executive Order](#) (EO) establishing a framework for administering Baltimore's Opioid Restitution Fund (ORF) to ensure transparency, accountability, and community involvement in the use of the funds. The EO outlines approved uses of these funds, including programs, services, and supports that address substance use prevention, treatment, recovery, and harm reduction, including the social determinants of health, and that redress or prevent other harms caused by the opioid epidemic.

When funding recipients spend grant funds, they must ensure that they adhere to applicable rules and regulations governing the types of costs that may be charged to the grant. Costs are classified as direct or indirect, and grant guidelines often include limits on indirect cost spending. As a result, it is important that funding recipients properly understand and classify costs as either direct or indirect to ensure compliance with regulations and established budgets. Failure to adhere to compliance requirements could lead to suspension of program drawdowns and even future grants.

The following guide assists funding recipients in defining and identifying indirect costs, selecting the appropriate indirect cost allocation method, and understanding how to calculate, monitor, document, and report indirect costs. Additionally, this guide includes various frequently asked questions (FAQs) on indirect costs. This document is intended as a guide for grant recipients of the Baltimore City Opioid Restitution Fund.

Defining Different Types of Costs

Costs are classified as direct or indirect, and it is important that funding recipients understand the distinction between these classifications.

Direct Costs

Direct costs are any costs that can be specifically identified with a particular project, program, or activity, in this case, the Baltimore City Opioid Restitution Fund. These costs can be directly attributed and easily traced to the grant program. Direct costs may include program staff salaries, supplies and services, travel, consultant services, or equipment.¹ Broadly speaking, there is no limit to how much of the Opioid Restitution Fund grant can be charged to direct costs, as long as the charges fall into the direct cost category and align with the established budget.

¹ If directly related to a specific program, certain costs that otherwise would be treated as indirect costs may also be considered direct costs. This may include extraordinary utility consumption, the cost of materials supplied from stock or services rendered by specialized facilities, program evaluation costs, or other institutional service operations

Indirect Costs

Indirect costs are costs that an organization incurs that cannot be readily isolated or identified with just one project or activity.² Indirect costs may include general and administrative expenses, costs frequently referred to as “overhead expenses,” such as the cost of rent, utilities, building maintenance, and salaries for personnel who share their time across programs (e.g., executive staff and staff in human resources, information technology, and accounting departments). Given these costs are typically shared with one or more projects, accurately attributing them to a specific project or grant can be difficult. Nevertheless, indirect costs are real costs to organizations, and grants management and grant-related program activities can contribute to an increase in these expenses. Recognizing funding recipients’ right to claim indirect costs as expenses, the Recovery Office permits organizations to use a percentage of Opioid Restitution Fund grants to offset indirect costs. Funding recipients may charge up to 15 percent for indirect costs, as outlined in the [Financial Policies for Opioid Restitution Fund Grantees](#).

Potentially Direct or Indirect Costs

There may be some costs that are not clearly and exclusively either direct or indirect costs. Instead, these costs could be classified as direct or indirect depending on the circumstances. In these situations, funding recipients must use their judgement to determine the appropriate classification category and should [consistently classify and thoroughly document](#) their treatment of these funds. Additionally, funding recipients must not charge the same expense to both categories (direct and indirect) or other programs, so they must proactively [ensure indirect cost charges are not duplicated](#). The following graphic provides examples and considerations for costs that may be considered direct or indirect and may be charged to ORF funding:

² The Mayor’s Office of Recovery Programs uses the Federal Government’s 2 CFR 200 as a guide, which defines indirect costs as “those that have been incurred for common or joint objectives and cannot be readily identified with a particular final cost objective.”

POTENTIALLY DIRECT OR INDIRECT COSTS



Administrative

Costs

Whether administrative costs may be considered direct or indirect depends on the proportion of those costs supporting any aspect of a specific program or grant. For example, contractual consultant costs that support general operations but also support effective management and oversight of a grant program may be considered indirect. However, if the consultant costs are solely dedicated to effective management and oversight of a grant program, they may be considered direct.

Salaries and

Benefit Expenses

Salaries and benefits would be considered direct costs for employees whose time is specifically dedicated to a particular program or project. Alternatively, salaries and benefits would be considered indirect costs for employees whose time is shared across programs or the organization as a whole. For example, salaries and benefits of CEOs and finance staff are typically considered indirect costs, as they provide services to the entire organization. For additional information, see the [Frequently Asked Questions \(FAQs\)](#).

Audit

Costs

Costs associated with an audit may be considered direct or indirect. If a Single Audit is required, the funding recipient may include the cost of the audit as a direct cost. The cost of independent audits, however, may be categorized as indirect costs.

Other

Costs & Expenses

In addition to these examples, there are other costs that may be direct or indirect depending on the circumstances. This may include expenses such as memberships and subscriptions, software and computer supplies, or office supplies. When determining if an expense should be categorized as direct or indirect, the following questions may be considered:

- Does the cost clearly and directly support the purpose and circumstances of the funded project?
- Will the product or service being acquired be used to support multiple activities of project personnel or only grant-specific activities?
- Does the expense clearly demonstrate a direct impact on the funded project or program?

Allocating a Percentage of Costs as Direct/Indirect

In some cases, it is reasonable for a cost to be both direct and indirect. In these cases, it makes sense to allocate a percentage of costs to a grant rather than charging the entire cost directly or including it in the indirect cost pool. Some different scenarios include:

- **Example 1, Salaries Towards Multiple Direct Projects:** Jim is a salaried employee who supports two programs, each of which is supported by a different grant. In his timesheets, Jim can allocate his time spent on each project to identify the appropriate proportions of his time and salary that should be charged to each funding source. This is an example of direct costs for a project and Jim's salary can be charged directly to the two programs according to the percentage of time worked on each project. His time allocation to each project should be certified each month.
- **Example 2, Mixed use of Equipment for Direct and Indirect Purposes:** An organization leases a copy machine that is used freely by all employees, including executive personnel, program personnel, and the finance department. In this scenario, there is no reasonable way to allocate the use and costs of the copier. The copier should be classified as an indirect cost.

Ultimately, when determining if and how to allocate an expense across direct and/or indirect categories, consider both the reasonableness and effort required to accurately allocate these funds.

- **Reasonableness:**
 - Is it logical and does it make sense to split this expense across multiple projects and/or across direct and indirect expense categories?
 - Does allocating the expenses across direct and/or indirect costs influence my budget? (i.e., if you are allocating direct costs across 15 projects, is it truly a direct cost?)
- **Effort Required:** Is it practical, and/or are systems in place that enable a limited amount of effort to allocate each expense?
 - I.e., identifying allocation in example 2 would require an unnecessary and unrealistic effort. Comparatively, example 3 below represents a similar example that requires less effort and has a system in place:
 - **Example 3:** An organization leases a copy machine, which is accessed through a unique PIN for each employee. A report is generated at the end of the month, and the charges are **directly allocated** to the programs of the individuals that used the copier.

Allocating and Calculating Indirect Costs

Once direct costs have been identified, funding recipients must determine what portion of those costs may be charged (allocated) to the grant as indirect costs. Indirect costs are generally allocated using an indirect cost rate (ICR). For ORF grants, all organizations must use a 15 percent indirect cost rate, unless they elect to use a lower indirect cost rate and specify it in writing.

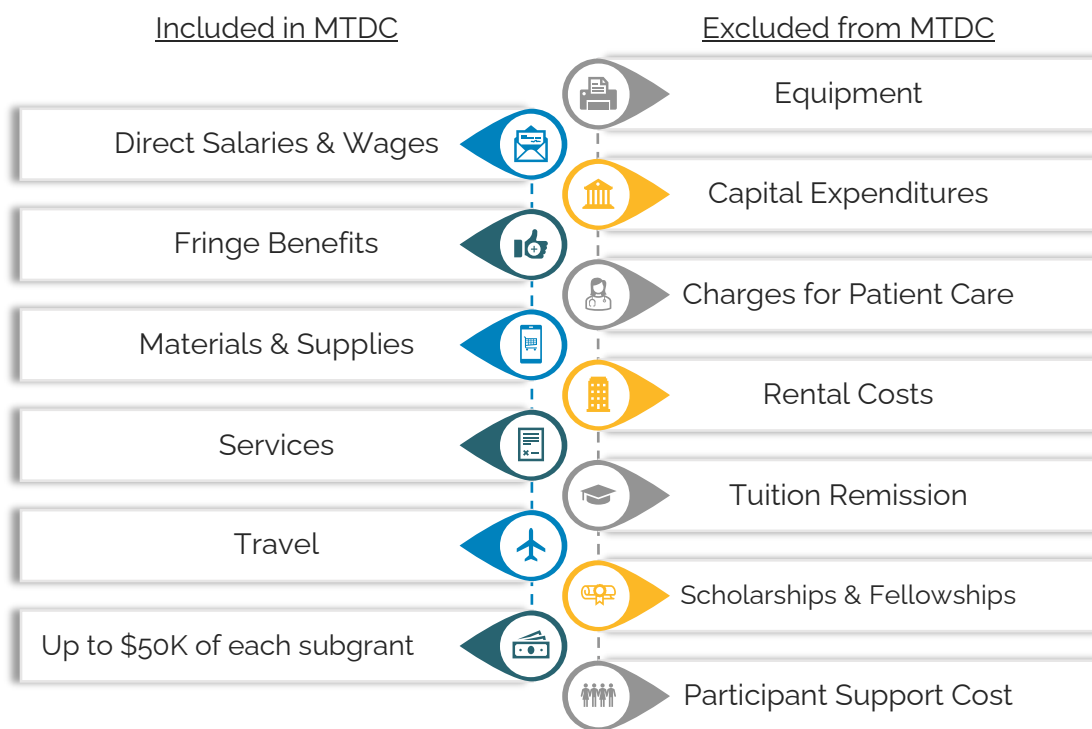
What is a De Minimis ICR?

The Recovery Office has elected to standardize the indirect cost rate for all ORF grants at 15%, in line with the federal guidance for de minimis indirect cost rates in 2CFR200 (updated in January 2025).³ The Recovery Office will not use NICRAs for ORF grants. Recognizing that most projects will incur indirect costs, the *de minimis* indirect cost rate was established to enable funding recipients to recover allowable indirect costs on grants without requiring additional justification.

All funding recipients may charge up to the approved rate of 15% of [modified total direct costs \(MTDC\)](#).

Understanding Modified Total Direct Costs

The 15% *de minimis* rate specifies the percentage of a grant that can be allocated to indirect costs. Rather than taking this percentage from the total project budget, the total indirect costs that can be charged to a grant under the *de minimis* rate are calculated from a base known as modified total direct costs (MTDC). The Mayor's Office of Recovery Programs uses standard federal guidance from 2 CFR 200 for all grants that outlines specific types of direct



³ [eCFR :: 2 CFR 200.414 -- Indirect costs.](#)

costs that can be applied to this base, and the MTDC is the sum of these applicable costs.⁴ The following graphic visualizes which costs are included in the MTDC and which costs are not.

If you have questions on whether costs that are not listed here should be included or excluded from the MTDC calculation, contact the Recovery Office for further guidance.⁵

Calculating Indirect Costs Using the De Minimis Cost Rate & MTDC

To calculate indirect costs at the *de minimis* rate for a project that includes subgrants, a funding recipient should take the total of the MTDC plus the amount of each subaward or \$50,000 per subaward (whichever is lower) and multiply that total by 15 percent. The following table provides a detailed example of how to calculate the indirect *de minimis* cost rate for an ORF project with subrecipients. Note: this example reflects the expected indirect cost allocation based on the budgeted line items. The actual indirect cost allocation may vary depending on actual expenses.

Example A: A funding recipient receives an \$888,000 ORF grant, which they use to cover a variety of project costs, including salaries, services, and equipment, and to pass along a total of \$190,000 in subgrants to four subrecipients of their own. The organization uses the *de minimis* indirect cost rate of 15%.

	Total Costs	MTDC
Salaries, fringe benefits, materials & supplies...etc.	\$525,000	\$525,000
Equipment	\$44,000	Excluded from MTDC
Capital Expenditures	\$30,000	Excluded from MTDC
Subaward 1	\$75,000	\$50,000
Subaward 2	\$80,000	\$50,000
Subaward 3	\$25,000	\$25,000
Subaward 4	\$10,000	\$10,000
Total Amount	\$789,000	\$660,000
Indirect Costs* (MTDC x 15%)	\$99,000	
Total Budget	\$888,000	

*To calculate their indirect costs, the organization would first determine their MTDC (\$660,000), then multiply it by the 15% indirect cost rate.

Monitoring Indirect Costs

Grantees should include the total amount of Indirect Costs charged to their grant, calculated as a percentage of total modified direct costs in each expenditure report submitted for their ORF grant. Each month, grantees will take 15% (or total budgeted amount

⁴ §2 CFR 200.1 Definitions

⁵ Participant Support Costs are direct costs for item such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects. (§2 CFR 200.1 Definitions)

for indirect costs) of total modified direct costs and will put this into their organizational operating budget to go toward their organization's indirect costs. Justification for specific indirect expenditures do not need to be submitted with each monthly expenditure report. However, organizations should be able to produce documentation, in the event of an audit, that shows how the indirect costs incurred on the project were spent on allowable expenditures.

Organizations should monitor their own spending for indirect costs to ensure that the total amount charged to their ORF project covers their total indirect cost spending.

This should include: 1) periodically calculating indirect costs, 2) consistently classifying and thoroughly documenting indirect costs, 3) ensuring indirect cost charges are not duplicated, and 4) ensuring that indirect costs are not used to cover direct costs already included in the budget.

Example: Revisiting Example A about an entity that received \$888,000 in funding, the table below provides an example of a quarterly breakdown of the funding recipient's project expenditures and MTDC calculation for the first two years of the grant. The amount of indirect costs charged to the award each quarter should reflect the amount noted on the indirect cost line in the table. Remember when calculating indirect costs under the *de minimis* rate, only the first \$50,000 of each subaward can be applied to the MTDC calculation. You should track all subaward spending but only apply the first \$50,000 of each award to your MTDC calculation.

	Grant Amount: \$888,000 (Actual Calculations by Quarter) Approved ICR: <i>De Minimis</i> Rate (15%)							
	Year 1				Year 2			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Direct Costs	\$38,872	\$33,454	\$30,453	\$22,828	\$31,210	\$29,325	\$58,996	\$46,056
Salaries	\$16,280	\$15,960	\$19,829	\$16,546	\$23,023	\$21,246	\$27,653	\$21,986
Fringe Benefits	\$2,442	\$2,394	\$2,974	\$2,482	\$3,287	\$3,100	\$3,400	\$3,300
Materials	\$150	\$1,900	\$1,650	\$1,800	\$1,900	\$2,100	\$1,743	\$1,938
Equipment & Capital Expenditures *	\$15,000	\$3,000	-	-	-	-	\$22,000	\$12,432
Supplies	\$1,000	\$1,200	\$1,000	-	-	\$879	\$1,200	\$1,400
Subawards	\$4,000	\$9,000	\$5,000	\$2,000	\$3,000	\$2,000	\$3,000	\$5,000
MTDC	\$23,872	\$30,454	\$30,453	\$22,828	\$31,210	\$29,325	\$36,996	\$33,624
Indirect Costs (MTDC X 15%)	\$3,581	\$4,568	\$4,568	\$3,424	\$4,682	\$4,399	\$5,549	\$5,044
Total amount	\$27,453	\$35,022	\$35,021	\$26,252	\$35,892	\$33,724	\$42,545	\$38,668
Total/Per Year	\$141,748				\$185,260			
*Equipment & Capital Expenditures are grayed out, as they are expenses that are excluded from the MTDC.					Total Indirect Cost:		\$35,814	
					Total Budget:		\$327,008	

Consistently Classify and Thoroughly Document Costs

As previously stated, there are some costs that do not fall clearly and exclusively into direct or indirect costs and could be considered direct or indirect depending on the circumstances. When evaluating and determining the categorization of a cost, it is critical that the funding recipient document any decisions and consistently apply these decisions throughout the lifecycle of the grant.

Best Practice: If a cost cannot be readily identified as direct or indirect by a reasonable third-party reviewer, funding recipients are advised to prepare a brief, internal memo that documents the justification for why a cost was determined to be direct vs. indirect. The memo, along with any documentation pulled, should be stored and retained as evidence of the evaluations. For further guidance on how and what to document, see the [Documentation](#) section of this guide.

Ensure Indirect Cost Charges are Not Duplicated

It is critical to avoid duplication of costs, both within a specific grant and across multiple grants.⁶ Because indirect costs are costs that are shared across programs, they could potentially be charged to multiple grants or to the organization's general budget. Additionally, because some costs can be categorized as either direct or indirect, there is the potential for charges to be categorized inconsistently both across projects and within one project.

To avoid duplication of costs, funding recipients should coordinate closely with other project teams and/or their accounting and finance department to ensure that 1) costs are categorized and charged consistently and 2) indirect costs for an ORF grant are not charged twice – either to another grant or itemized elsewhere in the ORF grant budget. For example, if an expense is charged as a direct cost across multiple grants without proper allocation, it is possibly an indirect cost or a situation where benefits are being duplicated. Accounting and finance departments should provide greater insight into how indirect costs are charged across the organization and appropriately advise on how to best charge ORF funds. Funding recipients that do not have dedicated accounting and finance staff are advised to consult with a certified public accountant (CPA).

⁶ §2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards

Documentation & Reporting

Funding recipients must maintain adequate documentation of direct expenditures and **calculations** of indirect costs following accordance with any applicable record retention policies in preparation for any planned or potential audits. While funding recipients must ensure proper documentation of direct costs, recipients using the *de minimis* ICR will not be required to submit supporting documentation on a monthly basis to justify the indirect cost rate as outlined above under "[Monitoring Indirect Costs](#)". The *de minimis* rate was designed to reduce the burden for small entities. However, organizations should be able to produce documentation in the event of an audit to show how the funds were spent.

The following section outlines best practices for documentation, reporting mechanisms, and record retention policies in order to help funding recipients implement strong practices.

Documentation

All financial transactions should be supported by documentation such as a brief description of the expenditure, a report summary outlining the purchase, and an invoice showing proof of purchase.

- Allowable, reasonable, and allocable;
- Within grant limits
- Treated consistently
- In alignment with generally accepted accounting principles.

In order to adequately document costs, funding recipients should keep all receipts organized and easily accessible, ensure separation of duties, and make sure that all income and expenses are assigned to the right account. Funding recipients are advised to include four primary areas of internal control in their expense documentation policies: authorization, time tracking, spending, and reporting.

Authorization	Purchases should be properly authorized in accordance with internal policies and procurement standards. If purchases are not documented showing proper authorization, they could be deemed insufficient and an unallowable charge to the grant.
Time Tracking	All timesheets should be filled out daily and signed electronically on a weekly or bi-weekly basis, and should be time-coded and charged to the activities being worked. If personnel are shared across multiple grants, ORF grantees are required to show hourly time allocations to ORF grants.
Spending	Receipts should show what was purchased, the date of the purchase, the supplier, if applicable, and who made the purchase, if possible.
Reporting	Documentation for the purchased goods or services should include a narrative explaining its purpose, how it relates to the activity, and how it will be funded. This documentation could be found, for example, in an email requesting authorization for the purchase or within an internal memo communicating the recent procurement.

The Mayor's Office of Recovery Programs will review supporting documentation. Examples of supporting documentation by Expenditure Review Area of Focus are outlined in the table below. Examples of proof of payment include: a cancelled check, a bank statement, a credit card statement, a receipt, or any other document demonstrating that funds were paid, not just that they were owed.

Expenditure Review Focus Area	Examples of Supporting Documentation
Personnel and Fringe Costs	• Methodology used to capture time charged to grant • Job titles & descriptions/description of work charged to the grant • Payroll registers • Accounting records of fringe or special payroll items, if applicable
Equipment & Capital Expenditures	• Purchase orders and/or contracts • Invoices • Proof of payment
Other Costs	• Contracts • Purchase orders • Invoices • Proof of payments
Contracts & Consultants	• Applications, if applicable • Agreements • Invoices • Proof of payment
Payments to Subrecipients	• Applications, if applicable • Grant agreements • Risk assessments • Invoices • Proof of payment

Retention of Records

Per your grant agreement, *"The Grantee shall maintain such records which support the Agreement hereunder, for a period of five (5) years from the date this Agreement is approved by the Board, except where unresolved audit questions require retention for a longer period as determined by the City."*

Reporting

Funding recipients are required to submit regular financial and performance reports to the Recovery Office as outlined in their grant agreements and risk letters.

Frequently Asked Questions (FAQs)

How do I document expenses for indirect costs when using the 15% *de minimis* rate?

Funding recipients using the *de minimis* rate should ensure proper documentation of direct costs and **calculations** of indirect costs, but they are not required to “prove” indirect costs or document how they are used in expenditure reports. The *de minimis* rate was designed to reduce the burden for small entities. However, organizations should be able to produce documentation in the event of an audit to show how the funds were spent.

What fringe benefits can be charged to ORF, and how are they typically classified?

Fringe benefits must be allocated and charged to their ORF grant and all other activities in a manner consistent with the organization's typical accounting practices. In general, if an employee's wages and salaries are an eligible use of ORF funds, recipients may treat the employee's covered benefits as an eligible use of ORF funds. For purposes of ORF, covered benefits include:

- Costs of all types of leave (vacation, family-related, sick, military, bereavement, sabbatical, jury duty),
- Employee insurance (health, life, dental, vision),
- Retirement (pensions, 401(k)),
- Unemployment benefit plans (federal and state),
- Workers' compensation insurance, and
- Federal Insurance Contributions Act (FICA) taxes (which include Social Security and Medicare taxes).

When considering these benefits and salaries, the employee's role and level of support should also be considered to determine if the costs are direct or indirect. For further elaboration on determining which employees are direct or indirect, see the [potentially direct or indirect cost](#) section.

Calculating eligible fringe benefit costs for employees with split time can be more complicated, as you are charging only a portion of a person's salary to grant funds. In these scenarios, we advise not charging the full fringe amount for that person's salary but instead applying a fringe rate to the actual hours worked. For example, if fringe benefits are 25% of total salary, then you may seek to calculate *eligible hours worked at base pay x 25%* to get to fringe benefits.

Under what circumstances is “facility rent” a direct versus indirect cost?

Indirect costs are distinguished as expenses that are not directly attributable to a single program component and generally refer to facilities and administrative (F&A) costs such as space and overhead. Facility acquired for the purpose of delivering a program is clearly a direct cost.

To help demonstrate this further, rent for the organization's office space is an indirect cost, but the cost to rent out a facility specifically for an event that is being used to independently support the program is a direct cost.

Should funding recipients capture and document both direct and indirect costs from subcontractors to ensure the indirect costs adhere to grant requirements?

No. Requirements regarding indirect costs pertain to funding recipients (both prime and subrecipients), but not contractors. While costs associated with contracted work may be evaluated for cost-reasonableness, that evaluation will be done on the entire cost rather than a separate analysis of direct and indirect costs.

Appendix A – MTDC Glossary

The following glossary provides definitions and additional context for expenses that are explicitly included and excluded when calculating MTDC. These definitions are pulled from federal guidance (2 CFR 200) and/or provide additional context based on the Recovery Office's interpretation of these expenses. For the ORF grants, the Recovery Office is using federal guidance.

This glossary can be used to help categorize different expenses and evaluate direct costs when reviewing budgets and calculating indirect costs.

Expenses Explicitly Included in MTDC

Direct Salaries & Wages – Compensation paid to individuals who are supporting the grant-funded project or program. These payments include the cost of work that can be attributed to the objective(s) of the grant.

Fringe Benefits – Allowances and services provided by employers to employees that support the grant-funded project or program, as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick, or military), employee insurance, pensions, and unemployment benefit plans ([2 CFR 200.431](#)).

Materials and Supplies – All tangible personal property other than those described under "[equipment](#)." This generally entails goods procured for a per-unit cost of less than \$5,000, such as training materials, laptops, and personal protective equipment (PPE) ([2 CFR 200.1](#))

Services – Work performed that directly benefits the grant-funded project, project objective, or beneficiaries. Services may include a wide range of programming provided by a funding recipient or payments made to third-parties or individuals for professional and technical activities, specialized expertise, or other contracted work that is necessary to achieve project objectives.

Travel – Expenses for transportation, lodging, subsistence, and related items incurred by employees who are in travel status on official business of the non-Federal entity ([2 CFR 200.475](#)).

Up to \$50K of Each Subgrant – When funding recipients distribute funds to subrecipients, up to \$50,000 of each subaward can be included in the MTDC calculation. Consider a funding recipient that provides funds to 3 subrecipients with the following award values:

- Subgrant 1: \$18,000
- Subgrant 2: \$25,000
- Subgrant 3: \$100,000

In this scenario, the funding recipient may include \$18,000, \$25,000. And \$50,000, respectively, from each subgrant when calculating MTDC.

Note: MTDC inclusion of up to \$50, 000 of subgrants is only applicable to subgrants/subrecipients and does not apply to funds paid to contractors or awarded to beneficiaries.

Other – It is generally interpreted that costs/expenses that are not explicitly stated as being included or excluded from MTDC can be included. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs (2 CFR 200.1).

Expenses Excluded from MTDC

Equipment – Tangible property having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds \$5,000 or a lesser value established by the funding recipient. Some examples of equipment include appliances, HVAC systems, and motor vehicles. (2 CFR 200.1)

Capital Expenditures – Expenditures to acquire capital assets or expenditures to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations to capital assets that materially increase their value or useful life (2 CFR 200.1). The definition of capital expenditures provided in 2 CFR 200 does not contemplate specific types of costs associated with capital projects that would or would not be considered capital expenditures. The Recovery Office's interpretation and definition of capital expenditures is that they do not include contractor or personnel line items that are separated out into individual line items accounting for direct person-based services, such as architectural design or consulting.

Charges for Patient Care – 2 CFR 200 does not provide a definition for patient care charges but the National Institute of Health Grants Policy Statement defines "usual patient care" as "items and services (routine and ancillary) furnished in the treatment of patients by providers of patient care under the supervision of the physician or other responsible health professional. Such items or services may be diagnostic, therapeutic, rehabilitative, medical, psychiatric, or other related professional health services."⁷

Rental Costs – Any costs paid for the rent of a building or facility from the grant that supports the grant objectives.

Tuition Remission – Funds used to reduce or waive tuition fees for employees or their dependents as a form of compensation or benefits.

Scholarships & Fellowships – Financial assistance provided to individuals for the purpose of furthering their education, typically on a competitive or merit-based evaluation.

Participant Support Costs – The cost of items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences, or training projects (2 CFR 200.1). While "participant support costs" seems like a vague term that could encompass many types of expenses, the specific definition provided in 2 CFR 200 indicates that this exclusion is limited to costs provided to support participation in conferences and trainings. To help determine if an expense is a participant support cost, consider whether the expense is specifically provided to support individuals (participants) who are actively engaged in an external conference or training.

⁷ NIH Grants Policy Statement (2024).

https://grants.nih.gov/grants/policy/nihgps/HTML5/section_19/19.2_definitions.htm