



# Memorandum

**To:** Whom it may Concern/ Sponsored Program Offices  
**From:** William Crowell, PhD, APNEP Director  
**Date:** July 1, 2024  
**Re:** Policy on Allocation and Reimbursement of Indirect Administrative Costs (Facilities and Administrative Costs)

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This memo is to inform you of the Albemarle-Pamlico National Estuary Partnership (APNEP) policy regarding the allocation and reimbursement of indirect administrative costs, also known as Facilities and Administrative (F&A) costs, at a rate of fifteen percent (15%).

## **Background:**

Indirect administrative costs are expenses that are not directly attributable to a specific project or activity but are necessary for the general operation of the organization. These costs include, but are not limited to, administrative salaries, office supplies, utilities, and facility maintenance. The allocation and reimbursement of these costs are essential for maintaining the operational efficiency and financial health of our organization.

## **Policy:**

### **1. Allocation of Indirect Costs:**

- Indirect administrative costs will be allocated at a rate of fifteen percent (15%) of the total direct costs of each project / contract.
- This rate is established to ensure that all projects contribute fairly to the overall administrative expenses of the organization and are appropriate for APNEP fund disbursement .
- Reimbursement requests for indirect costs must be submitted along with the direct cost reimbursement requests.
- The Finance Department will review and approve all reimbursement requests to ensure compliance with this policy.

## 2. Compliance and Monitoring:

- APNEP will conduct periodic reviews to ensure that the allocation and reimbursement of indirect costs are in accordance with this policy.
- Any discrepancies or deviations from the policy will be addressed promptly to maintain financial integrity.

### **Implementation:**

This policy applies to all current and future projects. Please ensure that all project budgets and financial reports adhere to these guidelines.

### **Conclusion:**

The allocation and reimbursement of indirect administrative costs at a rate of fifteen percent (15%) is crucial for the sustainable operation of APNEP and the public interest.

If you have any questions or need further clarification, contact Heather Jennings, Program Manager, at [heather.jennings@apnep.org](mailto:heather.jennings@apnep.org) regarding this policy.