

**ELECTION OF 10 PERCENT DE MINIMIS INDIRECT COST RATE  
ON INSTRUCTION OR OTHER SPONSORED ACTIVITY**

ORGANIZATION:  
Massachusetts Institute of Technology  
77 Massachusetts Avenue  
Cambridge, MA 02139-4307

DATE: July 1, 2015

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10 PERCENT DE MINIMIS INDIRECT COST RATE

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<u>NAME</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			
INDIRECT COSTS	07/01/15	UNTIL AMENDED	10%	(A)	Instruction or Other Sponsored Activity

Rate Application Base:

(A) Modified Total Direct Costs (MTDC). MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000.

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NOTES & GENERAL TERMS

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**APPLICABILITY AND TYPE OF RATE:** The 10 percent de minimis rate is for use by recipients of awards from the Federal government to which 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) applies. In accordance with § 200.414 Indirect (F&A) costs, the 10 percent de minimis rate must be used consistently for all awards received by the non-Federal entity until such time as the non-Federal entity negotiates for a rate with the Federal agency.

**LIMITATIONS:** use of the 10 percent de minimis rate is subject to any applicable contractual or award limitations. Acceptance of the 10 percent de minimis rate is predicated upon the following conditions: (1) the non-Federal entity has never received a Negotiated Indirect Cost Rate Agreement (NICRA) from a Federal agency and is therefore eligible for the 10 percent de minimis rate; (2) that no costs other than those incurred by the non-Federal entity will be recovered by using the 10 percent de minimis rate and such costs are legal obligations of the non-Federal entity, (3) that the same costs that have been treated as indirect costs have not been claimed as direct costs, and (4) that similar types of costs have been accorded consistent treatment.

**AUDIT:** All costs, direct and indirect, Federal, and non-Federal are subject to audit. As a result, adjustments to awards (grants and contracts) may result from audits.

ORGANIZATION:

Massachusetts Institute of Technology (MIT)

NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal offices as a means of notifying them of the non-Federal entity's election of the 10 percent de minimis rate.

MASSACHUSETTS INSTITUTE OF TECHNOLOGY



MICHELLE D. CHRISTY

Director, Office of Sponsored Programs