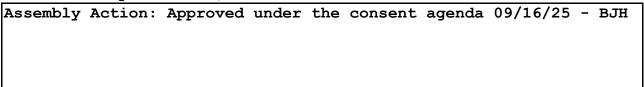
### MATANUSKA-SUSITNA BOROUGH INFORMATION MEMORANDUM IM No. 25-208

SUBJECT: AUTHORIZING BOROUGH ADMINISTRATION TO INCLUDE INDIRECT COSTS AT THE GRANTING AGENCY'S DE MINIMIS RATE FOR GRANT APPLICATIONS, IF ALLOWED BY THE GRANTING AGENCY.

### AGENDA OF: September 16, 2025



AGENDA ACTION REQUESTED: Present to the Assembly for consideration.

Route To	Signatures	
Originator	X Pamela Graham Signed by: Pamela Graham	9 / 3 / 2 0 2 5
Department/Finance Director	X Liesel Zanto for CH Signed by: Liesel Weiland	
Borough Attorney	X Nicholas Spiropoulos	9 / 3 / 2 0 2 5
Borough Manager	X Michael Brown	9 / 3 / 2 0 2 5
Borough Clerk	X Brenda J. Henry for	9 / 5 / 2 0 2 5

## ATTACHMENT(S): Fiscal Note

Resolution Serial No. 25-092 (1 pp)

#### SUMMARY STATEMENT:

The administration and management of grants includes substantial indirect costs. These costs include, but are not limited to:

- Annual financial audit, state and federal single audit fees;
- Wages and benefits for employees preparing and reviewing legislation to accept the funding;
- Wages and benefits for employees preparing, reviewing, and submitting grant activity and financial reports;
- Wages and benefits for employees administering and managing grant-funded projects;
- Costs of supplies, utilities etc. related to administering the grant and project.

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Our current indirect cost rate of a flat five percent (5%) was established by Resolution Serial No. 08-096, adopted by the Borough Assembly on August 19, 2008.

Indirect cost rates allowed by granting agencies currently range from nothing up to 15 percent. With federal grants, if the local government does not receive over 25 million in direct federal funding, they can choose to take the de minimis rate, or nothing.

The current de minimis rate on federal grants is 15 percent, and the borough current indirect is set at only five percent, this difference does not allow for the borough to include the indirect costs on our federal grant applications, therefore historically, the borough has not received any indirect costs on federal grants.

The more grants the borough secures the higher the costs associated with administering grants. This will ensure that if borough administration wishes to include indirect costs on a grant, they have the ability to do so.

This legislation will allow the Borough Manager to choose the granting agency's de minimis indirect cost rate during the grant application process when allowed by the granting agency.

**RECOMMENDATION OF ADMINISTRATION:** Respectfully request approval.

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# MATANUSKA-SUSITNA BOROUGH FISCAL NOTE

Agenda Date: Setpember 16, 2025

SUBJECT: AUTHORIZING BOROUGH ADMINISTRATION TO INCLUDE INDIRECT COSTS AT THE GRANTING AGENCY'S DE-MINIMIS RATE FOR GRANT APPLICATIONS, IF ALLOWED BY THE GRANTING AGENCY.

FISCAL IMPACT YES NO		
FUNDING SOURCE Grants		
PROJECT		
28 FY2029 FY2030		
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al	llowable costs to be billed.	