

**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

**Assembly Action:**

**AGENDA ACTION REQUESTED:** Present to the Assembly for consideration.

Route To	Signatures
Originator	<div>9 / 3 / 2 0 2 5</div> <div>X P a m e l a G r a h a m</div> <div>Signed by: Pamela Graham</div>
Department/Finance Director	<div>Recoverable Signature</div> <div>X L i e s e l Z a n t o f o r C H</div> <div>Signed by: Liesel Weiland</div>
Borough Attorney	<div>9 / 3 / 2 0 2 5</div> <div>X N i c h o l a s S p i r o p o u l o s</div> <div>Signed by: Nicholas Spiropoulos</div>
Borough Manager	<div>9 / 3 / 2 0 2 5</div> <div>X M i c h a e l B r o w n</div> <div>Signed by: Mike Brown</div>
Borough Clerk	<div>9 / 5 / 2 0 2 5</div> <div>X B r e n d a J . H e n r y f o r</div> <div>Signed by: Brenda Henry</div>

**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.

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.

## MATANUSKA-SUSITNA BOROUGH

## FISCAL NOTE

Agenda Date: **September 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 ACTION (TO BE COMPLETED BY FINANCE)	FISCAL IMPACT <b>YES</b> NO
AMOUNT REQUESTED *	FUNDING SOURCE Grants
FROM ACCOUNT #	PROJECT
TO ACCOUNT: xxx.xxx.xxx 3xx.xxx	PROJECT # TBD
VERIFIED BY:  X M e r i s s a C a r r e l l Signed by: M e r i s s a C a r r e l l	

## EXPENDITURES/REVENUES:

(Thousands of Dollars)

OPERATING	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Personnel Services						
Travel						
Contractual						
Supplies						
Equipment						
Land/Structures						
Grants, Claims						
Miscellaneous						
TOTAL OPERATING						

CAPITAL						
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REVENUE						
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## FUNDING:

(Thousands of Dollars)

General Fund						
State/Federal Funds						
Other						
TOTAL		*				

## POSITIONS:

Full-Time						
Part-Time						
Temporary						

ANALYSIS: (Attach a separate page if necessary) \*Amounts depends on different factors of each grant and allowable costs to be billed.

APPROVED BY:	X L i e s e l Z a n t o Signed by: L i e s e l W e i l a n d
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