

**THE KENYA OBSTETRICAL AND GYNAECOLOGICAL
SOCIETY**

Policy Name:	Indirect and Direct Costs Policy
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	Name & Designation	Signature & Date
Reviewed by:		
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Abbreviations and Acronyms

- FTE- Full Time Effort
- KOGS- Kenya Obstetrical and Gynaecological Society

Definition of Terms

- **Grant-** An award, usually financial, given by one entity (typically a company, foundation, or government) to an individual or a company to facilitate a goal or incentivize performance. Grants are essentially gifts that do not have to be paid back, under most conditions. These can include education loans, research money, and stock options.
- **Project-** A specific and finite activity that gives a measurable and observable result under pre-set requirements.

1.0 Executive Summary

The Kenya Obstetrical and Gynaecological Society (KOGS) is a professional body for Obstetricians and Gynaecologists. The society exists to protect and improve Sexual, Reproductive Health and Rights through quality services and Advocacy and leadership in collaboration with key stakeholders.

KOGS is seeking to strengthen its organizational capacity as it grows as a leader of maternal and reproductive health in Kenya. The society believes that good stewardship means maximizing its resources, including grant funding and staff time, while building strong partnerships based on trust. KOGS aims to structure grants in a way that makes sense from a financial perspective while also funding partners for the cost of delivering results efficiently, supported by open and honest dialogue about the resources required. As grant proposals are developed, KOGS will try to gain a complete and accurate understanding of the total cost to execute the project efficiently and effectively.

2.0 Policy Objectives

The objective of this policy is to provide guidelines for payment of expenses that are directly attributable to project outcomes and outputs as direct costs and expenses associated with general running of KOGS as indirect costs.

3.0 Policy Guidelines

- **Direct Costs:** These are the expenses required to execute a grant that are directly attributable and can be reasonably allocated to the project. Costs that would not be incurred if the grant did not exist are often indicative of direct costs. Examples include program staff salaries, travel expenses, materials, and consultants required to execute the grant.
- **Indirect Costs:** These are overhead expenses incurred by KOGS because of the project and support the entire operations of a grantee and that may be shared across projects. These expenses would be incurred regardless of whether the grant is funded or not. While these costs may not be directly attributable to a project, they are real and necessary to operate KOGS.

- **Indirect Cost Rate-** KOGS has put its administrative cost at 15% of the total grant award
- **Sub-grants and subcontracts-** Direct costs include those related to sub-grants and subcontracts. The sub grants will also be governed by the same policies as per above applicable to prime grantee with respect to indirect costs rate. Sub-grantees and subcontractors may not charge the applicant for indirect costs at rates that are more than the limitations provided above. In the grant proposal, prospective grantees must specifically speak to their indirect-cost assumptions and attach this policy.
- **Other issues**

In the grant proposal, KOGS or its sub-grantees must specifically speak to its indirect-cost assumptions and attach this policy.

Examples of indirect cost (not exhaustive list)

1. Utilities for facilities not acquired for and not directly attributable to the project.
2. Information technology equipment and support not directly attributable to the project.
3. General administrative support not directly attributable to the project.

Examples are as follows:

- Executive administrators
- General ledger and Grants accounting
- General financial management
- Internal audit function
- IT support personnel
- Scientific support functions (not attributable to the project)
- Human resources
- Shared procurement resources
- General logistics support
- Other shared resources not directly attributable to the project
 - KOGS legal support
 - Research management costs
 - Insurance not directly attributable to a given project