

Modified Total Direct Cost (MTDC)

MTDC is the base to which indirect cost rates are applied.

- Federal Uniform Guidance (2 CFR 200) requires MTDC as the distribution base when the de minimis rate is elected.
- Eligible Organizations:** Non-federal entities which have never held a negotiated rate are eligible to elect the de minimis rate of 15% of modified total direct costs (MTDC).

Included in MTDC Calculation	Excluded from MTDC Calculation
<ul style="list-style-type: none"> Direct salaries and wages 	<ul style="list-style-type: none"> Equipment
<ul style="list-style-type: none"> Applicable fringe benefits 	<ul style="list-style-type: none"> Capital expenditures
<ul style="list-style-type: none"> Materials and supplies 	<ul style="list-style-type: none"> Tuition remission
<ul style="list-style-type: none"> Travel 	<ul style="list-style-type: none"> Rental Costs
<ul style="list-style-type: none"> Services: Contractual, Consultant, & Construction <i>Up to \$25,000 of each subaward regardless of the period of performance</i> 	<ul style="list-style-type: none"> Scholarships and Fellowships
	<ul style="list-style-type: none"> Charges for patient care
	<ul style="list-style-type: none"> Portion of each subaward more than \$25,000
	<ul style="list-style-type: none"> Other costs items that may “distort” the equitable distribution of indirect costs

MTDC Calculation Examples

<u>Program A</u>	<u>Budget</u>
Salaries & Wages	\$100,000
Fringe Benefits	\$50,000
Travel	\$10,000
Materials & Supplies	\$20,000
Subaward (1)	\$100,000
Equipment	<u>\$10,000</u>
Total Direct Costs	\$290,000
Subaward (1) = Less (Subaward over \$25,000)	(\$75,000)
Less Equipment	<u>(\$10,000)</u>
Total Excluded Costs	(\$85,000)
MTDC (Direct – Excluded) Base	\$205,000
15% de minimis rate of MTDC	\$30,750

<u>Program B</u>	<u>Budget</u>
Supplies	\$8,000
Subaward (1)	\$6,000
Subaward (2)	\$50,000
Subaward (3)	<u>\$75,000</u>
Total Direct Costs	\$139,000
Subaward (2) = Less (Subaward over \$25,000)	(\$25,000)
Subaward (3) = Less (Subaward over \$25,000)	<u>(\$50,000)</u>
Total Excluded Costs	(\$75,000)
MTDC (Direct – Excluded) Base	\$64,000
15% de minimis rate of MTDC	\$9,600

Worksheet Calculation

Use the columns below to calculate MTDC based on associated program/project costs.

Program Categories	Budget
1. Personnel (Salary and Wages)	\$
2. Fringe Benefits	\$
3. Travel	\$
4. Equipment	\$
5. Supplies	\$
6. Contractual Services and Subawards	
a.	\$
b.	\$
c.	\$
d.	\$
7. Consultant Professional Services	
a.	\$
b.	\$
c.	\$
d.	\$
8. Construction Services	
a.	\$
b.	\$
c.	\$
d.	\$
9. Occupancy (Rent and Utilities)	\$
10. Research and Development (R&D)	\$
11. Telecommunications	\$
12. Training and Education	\$
13. Direct Administrative Costs	\$
14. Miscellaneous Costs	\$
15. Grant Exclusive Line Items	\$
TOTAL DIRECT COSTS (ADD UP 1 thru 15)	\$

Less each subaward over \$25,000 <i>or</i> Exclusions	a.
Ex: subaward for \$100,000 ← \$75,000 excluded cost	b.
Ex: subaward for \$15,000 ← no excluded cost	c.
Ex: subaward for \$26,000 ← \$1,000 excluded cost	d.
Ex: equipment cost = \$15,000 ← \$15,000 total excluded cost	e.
TOTAL EXCLUDED COSTS (ADD UP a. thru e.)	

MTDC Base	\$
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Subtract Direct Cost from Excluded Costs

15% de minimis rate of MTDC	\$
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MTDC Base x 0.15 = 15% MTDC