

# WIC Grant Update on Indirect Cost Rate

10/09/2024

## Indirect cost rate de minimis increase

The Federal Office of Management and Budget provided updates to the [Uniform Guidance \(UG\)](https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRd93f2a98b1f6455/section-200.414) (<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-E/subject-group-ECFRd93f2a98b1f6455/section-200.414>) that go into effect for any federal grants or federal assistance awards issued on or after October 1. This information was sent by email to your administrator on Tuesday, October 8, 2024. Please share this with other appropriate staff within your agency.

The federal UG announced an increase in the de minimis indirect rate from 10% to 15%. **This applies only to subgrantees that do not have a federally negotiated indirect rate.** This change is in effect for grants with federal funds awarded on or after October 1, 2024, and applies to WIC and peer grantees. This does not mean the change is automatically in effect for all your grants. If you have any questions about the allowable indirect rate on other MDH grants, please reach out to your MDH grant manager.

### WIC:

WIC awards have a one-year budget period, so beginning in October, for federal fiscal year 2025 (10/01/24 – 09/30/25), agencies can indicate an updated rate of up to 15% on their monthly WIC invoice. Claiming a higher indirect does not increase your overall grant award.

### Peer:

Peer awards have a three-year budget period, and we are currently using FFY 2024 funds (10/01/23 – 09/30/26) so grantees must continue to claim an indirect rate up to 10% on their quarterly invoices. When FFY 2024 funds have been spent and we begin using federal FFY 2025 grant funds, information will be shared with agencies to increase the indirect rate on their claim forms.

The MDH WIC Program is navigating this change as the state agency works through the process. If you have any questions, please reach out to Tammie Edmundson at [tamara.edmundson@state.mn.us](mailto:tamara.edmundson@state.mn.us).

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