# FACT SHEET ON ALA'S INDIRECT COSTS

- 1. What is the Indirect Cost Rate? It is an overhead or composite rate charged to all units in the preparation of their annual budgets on certain revenues to account for the equitable allocation of commonly shared organization costs.
- 2. What are Indirect Costs? These are generally expens

### Staff Support Services

- Human Resources Recruitment, Training
- Building Maintenance Space, Utilities, Elections

#### Finance and Accounting Services

- Financial Systems Financial Reporting & Analysis
- Accounting Financial Record Keeping
- Planning & Budget
- Business Expense Insurance, Legal, Audit, Taxes
- Credit & Collections

#### Other Activities

- ITTS Technology Investment
- Communications Member/Customer Service, Marketing, PIO

## HOW IS THE INDIRECT COST RATE APPLIED ?

The Indirect rate will <u>"Not"</u> be assessed on revenue from:

- Dues
- Donations
- Interest income
- ALA royalties to Divisions
- Travel expenses reimbursed from outside organizations
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