

## 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 “Not” be assessed on revenue from:**

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