



Funding Opportunity Announcement (“FOA”) FY25 Solar Energy Equity Grant Program

Update (Jan 17, 2025): Program deadline extended to February 13, 2025.

Program Purpose: The Maryland Energy Administration (MEA) [FY25 Solar Energy Equity Grant Program](#)¹ (“SEE Program”, “the Program”) provides for the design and installation of solar energy systems to bring the benefits of solar energy to Maryland homeowners who experience low-to-moderate income, as well as those in overburdened and underserved Maryland communities. Specifically, funds from the SEE Program will provide up to 100% reimbursement to Maryland nonprofits, Counties, and Municipalities for the design and installation of solar photovoltaic (PV) systems, ranging in size from one (1) kilowatt of direct current (“kW_{DC}”) to fifteen (15) kW_{DC}, on eligible homes.

Type of Grant Program: **Statewide Competitive**

Application Deadline: **3:00 P.M. ET, Thursday, February 13, 2025**
~~3:00 P.M. ET, Thursday, January 23, 2025~~

Anticipated Program Budget: **\$10,000,000** is available from the [Strategic Energy Investment Fund](#)². The amount of Program funding awarded may be more or less depending on the quantity and quality of applications received.

Funding Restrictions: The FY25 SEE Program is funded in full by Solar Compliance Funds, also known as Alternative Compliance Payments (“ACP”). Funds must be used for new projects that are owned by or directly benefit 1) low-to-moderate income

¹ <https://energy.maryland.gov/residential/Pages/incentives/LowIncomeSolarGrants.aspx>

² [https://energy.maryland.gov/Pages/Strategic-Energy-Investment-Fund-\(SEIF\)-.aspx](https://energy.maryland.gov/Pages/Strategic-Energy-Investment-Fund-(SEIF)-.aspx)

communities located in a census tract with an average median income at or below 80% of the median income of Maryland, or 2) overburdened or underserved communities, as defined by §1-701 of the Environment Article, Annotated Code of Maryland. A list of eligible census tracts is available on [MEA's ACP webpage](#)³, and applicants are encouraged to use the Maryland Department of the [Environment's EJ Screening Tool](#)⁴ to identify what census tracts the homes in the proposed project are located within.

Eligible Applicants: Nonprofit Organizations, Counties, and Municipalities subject to the following conditions:

- a. The applicant must have received a grant from MEA's FY19-FY25 [Energy Efficiency Equity Grant Program](#)⁵ to complete energy efficiency and weatherization-type upgrades for eligible Maryland homeowners that are being considered in the proposed SEE Program project; or
- b. The proposed project must include homes that have received energy efficiency and weatherization-type upgrades from the Maryland Department of Housing and Community Development ("DHCD") FY19-FY25 [Weatherization Assistance Program \("WAP"\)](#)⁶, or DHCD's FY19-FY25 [EmPOWER Maryland Limited Income Energy Efficiency Program \("LIEEP"\)](#)⁷.

Eligible Activities: Eligible activities are determined by Areas of Interest ("AOIs"), as follows. Only a single AOI can be applied for on an application.

AOI 1: Direct Ownership: The Grantee will design, install and commission the solar system on each participating home and the homeowner will own the system outright. The Grantee specifically agrees to the following mandatory

³ <https://energy.maryland.gov/Pages/CensusTractsRPS.aspx>

⁴ <https://mdewin64.mde.state.md.us/EJ/>

⁵ <https://energy.maryland.gov/govt/pages/cleanenergyimi.aspx>

⁶ <https://dhcd.maryland.gov/Residents/Pages/wap/default.aspx>

⁷ <https://dhcd.maryland.gov/Residents/Pages/lieep/default.aspx>

requirements for AOI 1:

- a. Each homeowner will own the solar system outright.
- b. The Grantee will be responsible for developing the solar system, including design, installation, and commissioning.
- c. The homeowner will be responsible for solar system insurance and maintenance costs, beyond the terms of their solar installation contract and warranties.
- d. The Grantee will advise the homeowner to consult with a tax attorney, but the homeowner is unlikely to be eligible for federal incentives.
- e. The Grantee will advise the homeowner to sell any Solar Renewable Energy Credits (“SRECs”) generated by the solar systems and apply the proceeds to solar insurance and maintenance.

AOI 2: Zero-Cost Power Purchase Agreement: The Grantee will own each solar system and provide the power produced by the system to each household free of charge under a twenty (20) year prepaid power purchase agreement (“PPA”) with each homeowner. The Grant funds are specifically for the prepayment of the entire term of the zero-cost power purchase agreement. The Grantee specifically agrees to the following mandatory requirements for AOI 2:

- a. The Grantee will own the solar system.
- b. The homeowner will enter into a 20-year prepaid lease agreement with the Grantee.
- c. The Grantee will apply grant funds to prepay the lease in full, so that no further payments are owed by the participating residents.
- d. The Grantee will be responsible for developing the solar system, including design, installation, and commissioning.

- e. The Grantee will be responsible for solar system insurance and maintenance costs over the twenty (20) year term of the lease.
- f. In consultation with a tax attorney, the Grantee will apply for elective payments from a) the federal Solar Investment Tax Credit Program and b) the federal Low-Income Communities Bonus Credit Program under section 48(e) of the Internal Revenue Code. The Grantee shall deposit all proceeds from these elective payments into a separate solar operations and maintenance Reserve Account.
- g. The Grantee will sell any Solar Renewable Energy Credits (“SRECs”) generated by the solar systems and deposit all proceeds from these SRECs into the Reserve Account.
- h. The Reserve Account will be used for insurance, operations, and maintenance of the solar systems developed with the Grant Funds. It is permissible to use the Reserve Account to develop additional solar systems to benefit eligible households.
- i. The Grantee will provide the homeowner a summary of (1) the homeowner’s rights and obligations under the Lease and (2) the Grantee’s rights and obligations under the Lease. The Grantee must provide MEA with a written and signed attestation that the homeowner is aware of all rights and obligations under the Lease.

Grant Formula:

MEA will provide up to **\$25,000 per solar PV system**, inclusive of all direct and indirect costs, up to a maximum total individual grant of **\$1,500,000**. If MEA does not receive a sufficient number of qualifying applications for the available funds, MEA may opt to increase individual grant amounts awarded to successful applicants. See “Reimbursable Project Costs” in Appendix 2 of this FOA for more information.

Partial Grants : Partial grants are possible under the Program. MEA will fully fund each complete and eligible application in the order that it is received, subject to funding availability. In the event that there is inadequate funding to fully-fund an application, MEA will offer the maximum available amount for the project to the applicant. If the applicant declines, MEA will consider the next eligible application, and this process will continue until all remaining funds have been awarded, or each applicant has declined the funds, whichever comes first.

Minimum Requirements: The following requirements apply to each applicant to the FY25 SEE Program. Each condition **must be met** to be considered for funding.

1. **Authorization to Operate in Maryland and SDAT Good Standing:** The applicant, and any contractor that the applicant works with on the project, must possess any required operating license and must be in Good Standing with the Maryland Department of Assessments and Taxation (“DAT”). The applicant must provide Evidence of Good Standing to MEA. See the “Required Application Documents” section of this FOA for further information.
2. **Site Location:** The homes where the solar PV systems are installed must be located within the State of Maryland.
3. **Eligible Homes:** The homes in the proposed project must meet all requirements defined in the “Participating Homes Requirements” section of this FOA. MEA will not authorize the payment of any awarded grant funds to a home that does not meet these requirements.
4. **NABCEP Requirement:** A North American Board of Certified Energy Practitioners (“NABCEP”) certified PV Installation Professional (“PVIP”) must be directly

involved with the design or construction of the solar PV system.

5. **Minimum Contractor Requirement:** Each applicant is required to work with at least one (1) solar PV installation contractor to complete the project. Contractor selection is not required at the time of application to the SEE Program, but the solar PV installation contractor must be selected prior to any reimbursable work on the solar PV installation parts of the project, if the project is awarded a grant. Working with a roofing repair or mold remediation contractor is highly encouraged, but not required.
6. **Prior Expenses Unallowed:** MEA SEE Program funds cannot be used for costs that were incurred by the applicant prior to execution of a grant agreement with MEA, if the applicant is selected for grant funding.
7. **Prior Funded Projects Restriction:** MEA will not award a grant for a project that has previously received funding from MEA through any grant or rebate program, including the SEE Program.
8. **Ability to Enter into a Grant Agreement:** The applicant must be willing and able to enter into a Grant Agreement with MEA, if selected for a grant under the Program.
9. **Completion Deadline:** A grantee must complete the project **within two (2) years** of Grant Agreement execution, unless MEA extends this deadline.

Participating Homes Requirements:

Each residential home that receives a solar PV system using FY25 SEE Program funds must meet the following requirements:

- a. Must have received, or will receive, energy efficiency and weatherization-type upgrades in accordance with the **SEE Program Enabling Measures defined in Appendix 1 to this FOA;**

- b. Must be a primary residence, single-family home;
- c. Single family homeowners must meet eligible household criteria requirements;
- d. Must be located within the State of Maryland;
- e. Must be on a residential electricity tariff;
- f. **Historic Preservation Restriction:** The installation of the solar PV system must not result in an “adverse finding” to the historical significance of the property, as deemed by the Maryland Historic Trust. Each participating home that is included in the proposed project, and any home that is identified throughout the course of the project, if it is selected for funding, will be reviewed by MEA’s Historic Preservation Specialist prior to MEA authorizing any reimbursement of grant funds.
- g. **Program Income Limits:** Each participating home in the FY25 SEE Program must meet the income requirements in the following table. **PLEASE REVIEW THIS TABLE CAREFULLY, AS INCOME LIMITS HAVE CHANGED FROM PREVIOUS YEARS.**

Note: These income limits are based on eighty percent (80%) of the U.S. Department of Housing and Urban Development (“HUD”) median family income for the State of Maryland, and they directly match the income limits for the DHCD LIEEP.

Table is provided on the following page.

Household Size	Maximum Gross Yearly Income
1	\$68,500
2	\$78,250
3	\$88,050
4	\$97,800
5	\$105,650
6	\$113,450
7	\$121,300
8	\$129,100
<i>For each additional person, add:</i>	\$13,450

Evaluation Criteria: Each application that has met the Minimum Requirements of this FOA will be competitively evaluated using the following criteria (“Evaluation Criteria”). Only the highest-scoring proposals will be selected for a grant, subject to funding availability. **Up to three (3) points are possible under each criterion (except for the bonus point criterion), and will be awarded based upon the efficacy of the explanation of how the project meets the criterion and the associated supporting evidence: (3) points for “above average”, (2) points for “average”, and (1) point for “below average.” MEA reserves the right to award (0) points to any criterion that the proposal fails to address.**

- **Community Benefits:** An ideal proposal will explain with sufficient detail the full scope of anticipated benefits that the community(-ies) where the participating homes are located can expect to receive from the project, and how those benefits will be monitored and tracked. Points will be awarded based upon the number of identified unique benefits, the efficacy of their explanation and supporting evidence,

and the demonstrated ability to track those benefits.

- **Greenhouse Gas Reductions per MEA Dollar:** An ideal project will maximize the greenhouse gas reductions per MEA dollar invested. This will be evaluated by considering the total cost of the project, the amount of leveraged funding, and the anticipated total greenhouse gas reductions per MEA dollar invested in the project.
- **Cost-Effectiveness:** An ideal project will minimize the simple payback period for the project. For the purposes of the FY25 SEE Program, “simple payback” is calculated by dividing the total cost of the project by the anticipated total annual energy cost savings for all of the participating homes. **Note**, MEA will not award any points for this criterion if the project’s simple payback exceeds twenty (20) years.
- **Selection of Contractors:** An ideal project will demonstrate that the applicant has identified and engaged solar PV, roofing, and mold remediation contractors on the project prior to submitting an application to the SEE Program. Points will be awarded based upon the number, type, and level of engagement of contractors at the time the application is submitted.
- **BONUS:** One (1) bonus point will be awarded to a project that meets one of the following criteria:
 - **New Applicants:** For an applicant that has not previously received a SEE grant⁸ from MEA, one (1) bonus point will be awarded; or
 - **Existing Applicants:** For an applicant that has previously participated in the SEE Grant Program⁹, one (1) bonus point will be awarded if the applicant has: (i) met all requirements from their previous SEE grant(s), (ii) completed

⁸ Includes FY22-FY23 Low Income Solar Grant Program grants.

⁹ Ibid.

the project(s) on time and within scope, and (iii) met all reporting requirements.

Required Application Documents:

The following documents **must be included** when applying to the SEE Program to constitute a valid application submission:

1. **Application Form:** A complete, accurate, and signed application form. A copy of the application form can be found on the [SEE Program webpage](#)¹⁰.
2. **Project Narrative:** A complete and accurate project narrative that **meets the following required content and formatting restrictions:**
 - a. Must thoroughly describe the scope of the project, including, at minimum:
 - i. County(-ies) or Municipality(-ies) where the participating residential homes are located;
 - ii. Number of homes that will participate;
 - iii. As applicable, the number of the participating homes that have received energy efficiency and weatherization-type upgrades through MEA's Energy Efficiency Equity Grant Program; or DCHD's WAP or LIEEP; as well as the number of homes that have not yet received upgrades but will do so prior to solar PV system installation;
 - iv. Estimated average individual solar PV system capacity expected on each home, denoted in kilowatts of direct current ("kW_{DC}"); and
 - v. An explanation of how participating

¹⁰ <https://energy.maryland.gov/residential/Pages/incentives/LowIncomeSolarGrants.aspx>

home income requirements will be verified;

- b. Must explain how the proposed project meets the criteria established in the Evaluation Criteria section of this FOA;
 - c. Must be in a clear, concise, and legible format; and
 - d. Cannot exceed five (5) pages.
3. **IRS Form W9:** A complete, current, accurate, and signed copy of the applicant's IRS Form W9. A copy of this form and instructions on how to complete it are provided on the [IRS Form W9 webpage](#)¹¹.
4. **Good Standing Documentation (Contractors Only):** Evidence that any third-party contractor that the applicant has contracted to work with to complete the project must be in Good Standing with the Maryland Department of Assessments and Taxation (DAT). Acceptable documentation includes a PDF of the organization's result from Maryland DAT's [Business Entity Search](#)¹² that indicates Good Standing, or a Certificate of Status from Maryland DAT that indicates Good Standing. Instructions on how to obtain a Certificate of Good Status are available on DAT's website [here](#)¹³.
5. **Proof of Incorporation and Nonprofit Status (Nonprofits Only):** If the applicant is a nonprofit organization, proof of incorporation and designation as a nonprofit organization by the U.S. IRS must be included in the application.

Review Process: The MEA Program Manager will assemble a Grant Review Team of at least 3 qualified MEA program managers, energy

¹¹ <https://www.irs.gov/forms-pubs/about-form-w-9>

¹² <https://egov.maryland.gov/businessesexpress/entitysearch>

¹³ <https://dat.maryland.gov/businesses/Pages/Internet-Certificate-of-Status.aspx>

specialists or other professionals with relevant experience that may include individuals from outside MEA at the Program Manager's discretion. Initially, each Grant Review Team member will conduct an individual review of the complete applications using the evaluation criteria. Then, the grant review team will meet collectively to discuss their initial reviews, decide on a final ranking for each application, and come to a consensus on recommendations for funding.

Grant Funding and Payment:

The following terms and conditions apply to SEE Program funds:

- Total invoicing per participating home cannot exceed \$25,000. This is inclusive of all direct and indirect costs.
- Up to \$5,000 of the per-home \$25,000 funding allowance may be used for roof repairs or mold remediation necessary for the safe and successful installation of the solar PV system.
- MEA will consider each grantee's request for reimbursement only after the grantee has obtained permission to operate ("PTO") for the solar PV system from the local electric utility, and has passed all permitting inspections required by the authority having jurisdiction.
- MEA will reimburse each grantee in arrears for actual costs incurred after receiving all required invoicing materials and supporting documentation. These requirements will be more specifically defined in the grant agreement.
- MEA will not reimburse any grantee for costs incurred prior to the execution of the grant agreement.
- Consistent with §2-208 of the State Finance and Procurement Article, Annotated Code of Maryland, a nonprofit organization that is providing services funded with State funds can request reimbursement of indirect

costs: “(1) at the same rate the nonprofit organization has negotiated and received: (i) for indirect costs under a direct federal award; or (ii) from a nonfederal entity based on the cost principles in Subpart E of OMB Uniform Guidance; or (2) if the nonprofit organization has not negotiated and received an indirect cost rate described in item (1) of this subsection, at a rate of at least 10% of the costs that would be considered modified total direct costs under OMB Uniform Guidance.”

- **ELECTRONIC PAYMENTS REQUIRED:** Participation in MEA grant programs is voluntary. If selected for a grant and to ensure the secure transmission of grant funds, grantee recipients of MEA funding are generally required to receive electronic payments from the State of Maryland. Electronic payments are set up through the State of Maryland's Comptroller's Office. Grantee must fill out and submit the "ACH/Direct Deposit Authorization for Vendor Payments Form X-1018" to the Comptroller's Office by the submission methods outlined on the X-10 form. ACH/Direct Deposit Authorization for Vendor Payment Form X-10 **should not be sent to MEA**. Failure to submit ACH/Direct Deposit Authorization Form X-10 may result in grant reimbursements being delayed. If an applicant is unable to receive ACH/Direct Deposit payments, MEA may provide an exception to this requirement on a case-by-case basis, at the sole discretion of MEA.

Provisions: MEA grant programs are covered by general requirements that will be made part of the grant agreement between MEA and the applicant, if the applicant is selected for a grant (“General Provisions”). A copy of the General Provisions document is available on [MEA's website](#)¹⁴; this document will be incorporated into all MEA FY25 grant agreements.

Regulations: MEA grant programs funded by the Strategic Energy Investment Fund (“SEIF”) are subject to the regulations* in COMAR 14.26.02. Applicants and associated projects funded through the SEIF must meet all applicable requirements in

¹⁴ <https://energy.maryland.gov/Pages/all-incentives.aspx>

COMAR 14.26.02.

**To access these regulations, click [here](#)¹⁵ and use the sidebar "Regulations by Title" to navigate to: 14 - Independent Agencies → 26 - MARYLAND ENERGY ADMINISTRATION → 02 - Maryland Strategic Energy Investment Program.*

**Application
Submission
Instructions:**

Complete application packages must be submitted to MEA electronically, via email to the following address:

SolarEquity.MEA@Maryland.gov

**ALL APPLICATIONS MUST BE RECEIVED BY MEA BY
3:00 P.M. ET, FEBRUARY 13, 2025¹⁶.**

If electronic submission is not possible, an Applicant should contact MEA by email at SolarEquity.MEA@Maryland.gov or by calling MEA at 410.537.4000 **no fewer than fourteen (14) days** before the deadline to arrange an alternative method of application submission.

**Questions can be
directed to:**

Meg Cefail, MEA Solar Energy Equity Program Manager

Email: SolarEquity.MEA@Maryland.gov

Phone: 410.371.0976 or 410.537.4000, request to speak with Meg Cefail.

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¹⁵ <https://dsd.maryland.gov/Pages/COMARSearch.aspx>

¹⁶ **Update (Jan 17, 2025): Program deadline extended to February 13, 2025.**

Appendix 1: SEE Enabling Measures FY25 Solar Energy Equity Grant Program

Section 1: Energy Efficiency and Weatherization Compliance

Each participating home that will receive the installation of a solar PV system funded by the Solar Energy Equity Grant Program (“SEE Program”, “the Program”) must first receive energy efficiency and weatherization-type measures (“SEE Program Enabling Measures”), or these SEE Program Enabling Measures must have been completed on each home within the past five (5) years (i.e., 2019 - 2024). The SEE Program Enabling Measures are described more thoroughly in Section 2 below. Each home must have its SEE Program Enabling Measures completed, or will have them completed, with funding from one (1) or more of the following State of Maryland energy efficiency and weatherization incentive programs:

- Maryland Energy Administration FY19 - FY25 [Energy Efficiency Equity Grant Program](#)¹⁷ (known in prior cycles as the “Low-to-Moderate Income Energy Efficiency Grant Program”);
- Maryland Department of Housing and Community Development (“DHCD”) FY19 - FY25 [Weatherization Assistance Program \(“WAP”\)](#)¹⁸; or
- Maryland DHCD FY19 – FY25 [EmPOWER Maryland Limited Income Energy Efficiency Program \(“LIEEP”\)](#)¹⁹.

Section 2: SEE Program Requirements and Enabling Measures

The following requirements apply to each participating home that will receive a solar PV system with SEE Program funding:

1. **Energy Audit:** A Building Performance Institute (“BPI”) energy audit must have been or will be performed on each home that will receive a solar PV system. In the event that a BPI home energy audit reveals that there are no necessary weatherization or energy efficiency steps that need to be taken prior to the solar

¹⁷ <https://energy.maryland.gov/govt/pages/cleanenergy/emi.aspx>

¹⁸ <https://dhcd.maryland.gov/Residents/Pages/wap/default.aspx>

¹⁹ <https://dhcd.maryland.gov/Residents/Pages/lieep/default.aspx>

installation (e.g., new construction or issues had been addressed by the homeowner), an attestation from the BPI auditor that no steps are needed will be acceptable.

2. **Minimum Energy Savings:** All of the energy efficiency and weatherization-type upgrades selected for the home must, in aggregate, achieve full simple payback within fifteen (15) years. For the purposes of the SEE Program, “simple payback” is calculated as follows:

$$\text{Simple Payback} = \frac{\text{Total Cost of All SEE Program Enabling Measures}}{\text{Annual Energy Savings Created by the SEE Program Enabling Measures}}$$

3. **SEE Program Enabling Measures:** Each home that will receive a solar PV system through the SEE Program must have at least three (3) of the following measures completed within the past five (5) years through one or more of the energy efficiency and weatherization programs identified in Section 1 of this Appendix:

- a. **Conversion from less-efficient to LED lighting;**
- b. **Replacement of existing HVAC with an electric heat pump HVAC system;**
- c. **Replacement of an existing water heater with a heat pump water heater;**
- d. **Air sealing;**
- e. **Wall insulation replacement or improvement;**
- f. **Water heater and hot water pipe insulation wrap;**
- g. **Low-flow showerheads, faucets, etc. that help reduce hot water usage;**
- h. **ENERGY STAR® appliance replacements; or**
- i. **Other weatherization-type and energy efficiency upgrades that reduce electricity consumption or help enable electrification of existing fossil fuel equipment.**

Last Modified: November 19, 2024

END OF APPENDIX 1.

Appendix 2: Reimbursable Project Costs FY25 Solar Energy Equity Grant Program

The following project costs are reimbursable under each grant awarded from the Solar Energy Equity Grant Program (“SEE Program”, “the Program”).

1. MEA will allow a grantee to claim up to fifteen percent (15%) of the total grant awarded for Grant Administration Costs and reimbursable Indirect Costs combined.
 - A. Indirect Costs are reimbursable as indicated in Section 1(c), “Implementation of Indirect Costs” and may only be billed in proportion to the Direct Costs for which reimbursement has been sought at the time of billing.
2. For the purposes of the SEE Program, the following definitions shall be used:
 - A. Direct Costs: Incurred costs for which the grantee seeks reimbursement from MEA for:
 - i. The energy equipment being installed in or on a home or building, as well as any necessary labor and supplies to install the energy measures;
 - ii. Energy auditing;
 - iii. Roof repairs, mold remediation, electrical upgrades and supporting equipment that are necessary for a home to receive the energy upgrade being funded by the grant, as applicable and allowable under the Program; and
 - iv. Grant Administration Costs, which include salaries and wages for personnel managing the project, or conducting outreach and recruitment of participants; or supplies purchased to administer the grant (e.g., flyers advertising the program).

- B. Indirect Costs: MEA will use the definition of indirect costs provided in the Federal Electronic Code of Federal Regulations (i.e., indirect costs are incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (“F&A”) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived).
- i. For the SEE Program, examples of allowable indirect costs include portions of the cost of the grantee’s rent, utilities, or administrative staff time.
3. Each grantee shall provide documentation to MEA, which may include timesheets or other records, justifying the amount of Grant Administration Costs and Indirect Costs being requested for reimbursement under a grant.
- Implementation of Indirect Costs:
- A. A grantee that is tax exempt under §501(c)(3), (4), or (6) of the Internal Revenue Code who has negotiated and received an indirect cost rate under a direct federal grant, or from a non-federal entity based on the cost principles of Subpart E of OMB Uniform Guidance, will be allowed reimbursement of indirect costs as outlined in §2-208(b)(1) of the State Finance and Procurement Article, Annotated Code of Maryland, at the negotiated indirect rate.
 - i. Documentation of a negotiated indirect rate must be provided to MEA upon request, prior to execution of the grant agreement.
 - ii. If a grantee that is tax exempt under §501(c)(3), (4), or (6) of the Internal Revenue Code who has negotiated and received an indirect cost rate under a direct federal grant that is greater than the percentage identified in section 1a, then the grantee will be allowed reimbursement at the federally negotiated rate. In this situation, no Grant Administration Costs will be reimbursable.

- B. Indirect costs reimbursement for any other nonprofit organization applicant without a negotiated indirect rate, or a local government grantee, will be capped at a maximum of 10% of the total grant award (inclusive of, not in addition to, the total grant award).
4. The percentage of indirect costs that will be claimed by the grantee must be identified prior to the execution of the grant agreement and included in the terms of the grant agreement.

Example

A nonprofit organization has a federally-negotiated rate of 12%. With the total amount of indirect costs and Grant Administration Costs capped at 15% of the total grant, the grantee could opt to:

1. Claim the full 12% federally negotiated indirect rate of 12%, and up to 3% for Grant Administration Costs;
2. Claim a lower indirect rate less than 12%, in order to prioritize a higher percentage of the grant for Grant Administration Costs (e.g., 5% indirect and 10% for grant administration); or
3. Claim no indirect costs and use up to 15% of the grant for Grant Administration Costs.

However, a nonprofit organization may not claim indirect costs at a higher percentage than either the nonprofit organization's negotiated rate, or the 10% default indirect rate.

Last Modified: November 19, 2024

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