

Indirect Cost Rate Proposal - Checklist
State & Local Governments – Other than State Workforce Agencies

1. Submit once unless changes are observed:
 - ___ 1a. Organizational chart,
 - ___ 1b. Employee time sheet sample, providing for distribution of hours to direct/indirect functions. Narrative explaining compliance with 2 CFR §200.430(a)(1)(2) & (3) and the standards for documentation of personnel expenses.
 - ___ 1c. Cost Policy Statement signed by a duly authorized official (example provided in OCD’s website).

2. Indirect cost rate proposal providing the following schedules:
 - ___ 2a. Personnel Costs Worksheet, including fringe benefits breakdown.
 - ___ 2b. Allocation of Personnel Worksheet, providing indirect/direct time charges.
 - ___ 2c. Fringe Benefits Worksheet, if fringes are not directly and indirectly identified.
 - ___ 2d. Statement of Total Costs, segregated between the indirect and direct costs incurred by line item of expense (salaries, fringes, rent, etc.), identified by Federal agency, specific government grant, contract, and other non-Federal activities.
Note that the allocation base and the amount of indirect costs allocated to each funding source should be identified.
 - ___ 2e. Statement of Indirect Costs, including indirect line item of expenses, allocation base, and indirect cost rate proposed.

3. ___ Financial statements (audited if available) for the applicable fiscal year. Approved budget for provisional proposal, if needed. Note: The Statement of Total Costs (2d. above) must reconcile to Financial Statements. If not, please provide a reconciliation statement.

4. ___ Signed and dated Certificate of Indirect Costs. See example below:

CERTIFICATE OF INDIRECT COSTS

This is to certify that I have reviewed the indirect cost rate proposal submitted herewith and to the best of my knowledge and belief:

(1) All costs included in this proposal [identify date] to establish billing or final indirect costs rates for [identify period covered by rate] are allowable in accordance with the requirements of the Federal award(s) to which they apply and the provisions of this Part. Unallowable costs have been adjusted for in allocating costs as indicated in the indirect cost proposal

(2) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements. Further, the same costs that have been treated as indirect costs have not been claimed as direct costs. Similar types of costs have been accounted for consistently and the Federal Government will be notified of any accounting changes that would affect the predetermined rate.

I declare that the foregoing is true and correct.

Governmental Unit: _____
Signature: _____
Name of Official: _____

Title: _____
Date of Execution: _____

5. ____A listing of grants and contracts by Federal agency, subagency, program office funding source, total dollar amount, period of performance, and the indirect cost limitations (if any) applicable to each, such as amounts restricted by administrative or statutory regulations, applicable to the period(s) of the proposal(s). This listing should also be supported by the approved Federal grant or contract notification award(s).

6. ____A schedule listing any funding sources excluded from indirect cost allocations and the reasons for the exclusions.

7. ____Copy of HHS approved SWCAP, if SWCAP costs are allocated to federal programs.

Note: For organizations receiving funding from DOL's Employment and Training Administration (ETA), please ensure that the proposed individual compensation (salary and bonus) complies with the salary limitations established in ETA's TEGl 5-06. This document can also be access in OCD's website. The Office of Job Corps has similar salary limitations. Two additional proposal worksheets (see 2b. and 2d above) may be needed; to show ETA and/or Job Corps rates reflecting unallowable compensation and prorated amounts. If you have any questions, contact OCD.