Indirect Cost

Fast Facts

FAQ

1. **Q: How do I obtain my indirect cost rate?**
   A: Indirect cost rates must be requested every year in order to obtain it. From year 2019 on, a system enhancement allows you to apply for your indirect cost rate within Grants Management Enterprise (GME). **Once** your Indirect Cost Request is **approved**, you will see your negotiated percentage and additional details in the funding application's Budget page. Indirect Cost Recovery line item has to be entered in your funding application's grant budget if you desire to recover any indirect cost.

2. **Q: Does this form of request apply to all LEAs regardless of the entity type?**
   A: **GME enhancement** for Indirect Cost Request applies **only to districts and charters**. The **County** process remains the same – their indirect cost request should be submitted in **designated Excel sheet** to Grants Management via https://helpdeskexternal.azed.gov/. **State agencies** apply **through their pass-through entities** and then provide Grants Management with their negotiated rate if they wish to use it on grants in GME system.

3. **Q: How can I budget for indirect cost if I don't see my indirect cost rate in the funding application's budget?**
   A: You can calculate your indirect cost for your new project based upon your approved rate from prior fiscal year (this will provide an estimate). Then use one of these options:
   a) Use the estimated rate for your budget and planning purposes internally. When your rate is approved, edit/revise your funding application to include the indirect cost.
   b) Budget your indirect cost amount within a different budget line item (e.g. salaries), knowing that line item will be over-budget and then revise your funding application and move those funds into Indirect Cost Recovery when you have an approved rate.
   With either option, a History Log note is required to document your action. This will ensure anyone reviewing your funding application is aware that you will apply indirect cost.

4. **Q: Does ADE have a preference regarding the two above options?**
   A: Each program is different and has different nuances. Please reach out to your Program Area to see if they have a preference in how indirect cost is entered.

5. **Q: Should I wait to apply for indirect cost after applying for funding?**
   A: We suggest applying for indirect cost rate first or as soon as possible. If you apply by February 1, we will guarantee your rate by March 1 (when most FAs open). This will allow you to budget your Indirect Cost Recovery line item in the original funding application(s).

For assistance please contact Grants Management at 602.542.3901 or via Help Desk at https://helpdeskexternal.azed.gov/.