Indirect Cost Frequently Asked Questions

1. Q: How do I obtain my indirect cost rate if I'm a district or charter?

A: LEAs may request restricted and unrestricted rates each year. LEAs can apply for indirect cost rate(s) within Grants Management Enterprise (**GME**) by entering data from their AFR into the Data sheet. This data is then populated into a **Restricted Rate Calculation Page** and an Unrestricted Rate Calculation Page. Once the **Indirect Cost** request is approved, the negotiated restricted percentage and additional details will be displayed in the *Entity Information* page in **GME** and on most funding applications' *Budget* pages too.

If your indirect cost rate is approved *after* you've received director approval for a funding application that allows either the restricted or unrestricted rates, you would need to revise your budget in your funding application before being able to claim indirect cost expenditures.

The funding applications in **GME** will not allow you to budget indirect costs in object code 6910 without an approved rate for that fiscal year.

2. Q: How often do we request indirect cost rates?

A: Indirect cost rates must be requested every year to obtain the rate and be able to budget for indirect costs in that year's funding applications.

2. Q: Does this form of request apply to all LEAs regardless of the entity type?

A: The Indirect Cost Request above applies only to districts and charters. The county offices, as well as institutions of higher education and other government offices will now have their requests for indirect costs also located in **GME**. If your entity is not a district or charter, and you'd like to provide your data workbook or letter from the federal government with a federally approved rate for your entity, please notify us through help desk https://helpdeskexternal.azed.gov/ that you'd like access to the **Indirect Cost – Counties, IHEs, and other Gov't** supplement in **GME**.

Your entity will need to assign someone the user role of LEA Indirect Cost – Counties IHEs and other Gov't Request Update role. Once we process your help desk ticket, your entity will have access to the new **Indirect Cost – Counties, IHEs, and other Gov't** supplement wherein you will be able to upload your paperwork in *Related Documents* and then submit to ADE by changing the status to *LEA Indirect Cost – Counties IHEs and other Gov't Request Submitted.*

3. Q: Should I wait to apply for indirect cost after applying for funding?

A: We suggest applying for an indirect cost rate as soon as it is available in GME. This will allow LEAs to budget their indirect cost line item in the original funding application(s). You may apply for indirect costs once you have your financial information ready for the data sheet. Keep in mind, revisions to the **Indirect Cost** supplement will not be processed, so ensure your data is accurate when you do submit the request for your indirect cost rate(s).

If you receive your indirect cost rate(s) after a funding application has been changed to *Director Approved* status, you will need to start a revision to your already-approved budget after being notified of your approved indirect cost rate. At that time, you will be able to capture an amount in the 6910-object code line item for indirect costs.