Indirect Cost Mini Guide

What are Indirect Costs?

Indirect costs benefit more than one cost objective and are not readily assignable to a cost objective whereas direct costs are costs that provide measurable, direct benefits to particular programs. Examples of indirect costs might include administrative tasks, accounting, human resources, maintenance, and utilities.
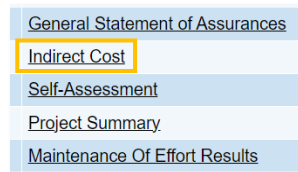
What is an Indirect Cost Rate?

An Indirect Cost Rate is the percentage of an organization's indirect costs to its direct costs and is a standardized method of charging individual programs for their share of indirect costs. Dictated by Federal laws and USDE, the rate is a ratio (expressed as a percentage) of the indirect costs to a direct cost base.

User Role Requirement

- o The **LEA Business Manager** or the **LEA Indirect Cost Request Update** user roles allow for initiating, editing, and submitting the Indirect Cost Request in GME (Grants Management Enterprise).
- o Contact the **LEA User Access Administrator** to assign a user role if needed.

Indirect Cost for LEAs

General Statement of Assurances
Indirect Cost
Self-Assessment
Project Summary
Maintenance Of Effort Results

To access the Indirect Cost, once the user has logged into GME and has selected their organization, click on *Indirect Cost* link on the Entity Information page.

Initiating and Editing the Indirect Cost Request

Select *LEA Indirect Cost Request Started* to begin entering data for the Indirect Cost rate.

The Data Sheet is the only page that needs to be completed, using your AFR data. The **Restricted** rate is already checked, but users can check the **Unrestricted** box to request the unrestricted rate as well.

Enter all expenditures from your last AFR. Your data is subject to audit and should be entered carefully. Revisions to the data sheet for indirect costs are not open for FY24.

At the bottom of the screen, click *Save And Go To* and select *Sections* to return to the Sections page. This will save the information entered in the Data Sheet.

Submitting the Indirect Cost Request

Status:	LEA Indirect Cost Request Started
Change Status To:	LEA Indirect Cost Request Submitted

On the Sections page, change the status by selecting *LEA Indirect Cost Request Submitted* to send the request to Grants Management for review.

Status:	SEA Indirect Cost Request Returned for Edits
Change Status To:	LEA Indirect Cost Request Submitted

If the Indirect Cost Request is returned or not approved, please check the *History Log* on the Sections page for comments relating to the request being returned or not approved.

If it was not approved, make the necessary changes and then resubmit the request to Grants Management for approval by changing the status to *LEA Indirect Cost Request Submitted.*

Indirect Cost Rate Approval

Debt Service	5000	5000
Other Financing Uses	6000	6000
Total All Functions		

5.90 % Current Approved Rate

When the Indirect Cost Request is approved, the rate will appear at the bottom of the Budget Sheet. Funding Applications already Director Approved will require starting a Revision before being able to claim indirect costs.

Indirect Cost	
Total Allocation	$595,280.87
Budgeted Amount (Contributing to Indirect Cost)	$562,116.03
Excludable Costs	$0.00
Indirect Cost Rate	5.90%
Max Indirect Cost based on Budgeted Amount	$33,164.84
Max Indirect Cost based on Total Allocation	$33,164.84

It will also be automatically entered in the Indirect Cost section of the budget within Funding Applications. Remember, you will need to revise your funding application in order to budget approved indirect cost rate expenses after an application has been director approved.

Indirect Cost Request for Counties, IHEs, and Other Government Entities

County Offices, Institutions of Higher Education, and other government entities have a different application process for indirect costs. Any non-LEA in this category would submit a HelpDesk ticket and request to have their entity be provided access to the Indirect Cost supplement below. Once they are added, they may upload their data sheet or letter with already an approved Federal rate in GME.

LEA Supplement
General Statement of Assurances
Indirect Cost – Counties IHEs and other Gov't
Self Assessment

Non-LEAs would select the *Indirect Cost – Counties, IHEs, and other Gov't* in GME from the Supplements page.

Status: **LEA Indirect Cost - Counties IHEs and other Gov't Request Not Started**

Change Status To: LEA Indirect Cost - Counties IHEs and other Gov't Request Started

History Log
 History Log
 Create Comment
Indirect Cost - Counties IHEs and other Gov't
 Related Documents
All

Change the status to *Indirect Cost – Counites IHEs and other Gov't Request Started*. Then use the *Related Documents* link from the Sections page to upload the fiscal year data sheets or federal approved rate letter.

Type	Document Template	Document/Link
FY24 IDC Calculation Form [Upload at least 1 document(s)]	N/A	Upload New

Status: **LEA Indirect Cost - Counties IHEs and other Gov't Request Started**

Change Status To: LEA Indirect Cost - Counties IHEs and other Gov't Request Submitted

Use the *Upload New* link to submit the form to Grants Management. Then change the status to *Indirect Cost – Counites IHEs and other Gov't Submitted*. Grants Management will either approve the request, return it for edits, or not approve it.

Need Assistance?

Grants Management System (GME)	Help Desk Support Ticket
Phone: 602.542.3901	
Opt 1-Technology, Opt 2-Processing, Opt 3-Monitoring	https://helpdeskexternal.azed.gov