

## **Non-profit and C&U new grantee guidance**

Indirect costs are reimbursed by Federal awarding agencies under grants and contracts on the basis of indirect cost rates established with this office. Guidance on the establishment of rates is contained on our **HHS-PSC-Cost Allocation Services** website: <http://rates.psc.gov>

The website contains a set of cost principles, procedures for the development and submission of an indirect cost rate proposal, and sample proposal formats. The formats are illustrative only; your proposal must be developed in conformity with the established accounting system of your own organization. The computation of an indirect cost rate must give recognition to all activities of your organization. It must designate the direct costs of each activity, the indirect costs allocated to each activity, and the costs considered to be unallowable so that total organizational expenditures from all funds are accounted for and are reconcilable to your financial statements.

Your initial indirect cost proposal must be accompanied by:

1. Most current certified financial statements and/or other official financial reports. The line items of your proposal must be cross-referenced and reconciled to the financial statements and/or reports.
2. Organization charts
3. Copies of initial direct Federal awards
4. Copy or description of fringe benefit policies
5. Description of administrative functions
6. Completion of enclosed form(s)

We will be pleased to furnish any additional advice or assistance you may need. Your proposal and relevant correspondence should be submitted electronically via email to the appropriate CAS office email address for your region:

Bethesda	<b>CAS-Bethesda@psc.hhs.gov</b>
New York	<b>CAS-NY@psc.hhs.gov</b>
Dallas	<b>CAS-Dallas@psc.hhs.gov</b>
San Francisco	<b>CAS-SF@psc.hhs.gov</b>

## Indirect Cost Proposal (ICP) Checklist (New Grantees)

(Check Off Boxes Below)

- 1. The ICP is supported by audited financial statements and the Single Audit Report. (Please include a copy of the supporting document along with your ICP.)
- 2. A reconciliation of item 1 (above) to the ICP has been made and is included in this proposal.
- 3. Unallowable expenses have been eliminated from the indirect cost pool (e.g., contributed salaries and services, interest expense, bad debts, fund-raising, advertising, depreciation on Federally funded assets and lobbying costs.)
- 4. The indirect cost rate computation base is complete (i.e., it includes all activities that benefit from the indirect cost pool). For example, fund-raising, project cost sharing, etc. are included where applicable.
- 5. Fringe Benefits (Please select from the attached list.)  
Treatment of Other Fringe Benefits: # \_\_\_\_\_ Treatment of Paid Absences: # \_\_\_\_\_
- 6. The equipment capitalization level is \$ \_\_\_\_\_
- 7. For nonprofit organizations only. Interest costs included in the ICP have been determined in accordance with the requirements of 2 CFR 200. In addition, required documentation (e.g., needs justification, lease/purchase analysis) has been submitted along with the ICP.
- 8. The required "Lobbying Cost Certification" for nonprofit organizations or "Institutions of Higher Education (IHE) Certificate of Indirect Costs" for colleges and universities is attached.
- 9. Official Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Email: \_\_\_\_\_  
Contact Name: \_\_\_\_\_ Title: \_\_\_\_\_  
Email: \_\_\_\_\_  
Phone #: \_\_\_\_\_ Fax #: \_\_\_\_\_
- 10. EIN# \_\_\_\_\_

Explanation of any numbered boxes not checked above (continue on back):

Signature

Date

Organization

Send this checklist along with your ICP to the appropriate CAS email address

## ICP Checklist Attachment

### TREATMENT OF OTHER FRINGE BENEFITS

1. All Fringe Benefits are included in indirect costs and are not claimed as direct costs.
2. Fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits are listed below. (1)
3. The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) are listed below. <sup>(1)(2)</sup>
4. Other - please explain.

### TREATMENT OF PAID ABSENCES

1. Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims are not made for the cost of these paid absences.
2. The costs of vacation, holiday, sick leave pay, and other paid absences are included in the organization's fringe benefit rate and are not included in direct costs of salaries and wages. Claims for direct salaries and wages must exclude those amounts paid or accrued to employees for periods when they are on vacation, holiday, sick leave, or are otherwise absent from work.
3. The costs of vacation, holiday, sick leave pay, and other paid absences are included in the organization's indirect cost rate and are not included in direct cost of salaries and wages. Claims for direct salaries and wages must exclude those amounts paid or accrued to employees for periods when they are on vacation, holiday, sick leave, or are otherwise absent from work.
4. Other - please explain.

<sup>(1)</sup> Please include with your Indirect Cost Proposal a list of the Fringe Benefits.

<sup>(2)</sup> Please also include a Fringe Benefit Proposal and select a base from below:

(a) Salaries and Wages

(b) Salaries & wages excluding vacation, holiday, sick leave pay & other paid absences.

(c) Other - please explain.