



Requesting an Indirect Cost Rate with the Indirect Cost Rate Proposal

Email: compliance@tea.texas.gov
512-463-9127



Indirect Cost Rates

- ▶ Indirect cost rates (ICRs) are issued by the entity's "cognizant agency for indirect costs"
- ▶ For Texas local educational agencies (LEAs), the cognizant agency is TEA by delegation authority from USDE
- ▶ ICRs are issued annually - effective from July 1 to June 30





Two Types of ICR: Restricted and Unrestricted

- ▶ TEA issues restricted and unrestricted indirect cost rates
- ▶ The ICR rate used depends on if the supplement, not supplant provision exists for an individual grant program
 - Restricted ICR – supplement, not supplant required
 - Unrestricted ICR – *not subject* to supplement, not supplant





Process to Request Indirect Cost Rate

- ▶ Independent school districts request their ICR through the Indirect Cost Rate Proposal (ICRP)
- ▶ LEAs with approved ICR may recover indirect costs for the administration of managing federal and state grants





Process to Request Indirect Cost Rate

The ICRP is a set of three required documents:

1. ICRP Excel workbook
2. Certification of indirect costs
3. Organizational chart

The ICRP collects all the information TEA needs to issue ICRs to school districts, per federal requirements.



How TEA Calculates ICRs

- ▶ Calculation:

Indirect Cost Pool ÷ Modified Total Direct Cost (MTDC)

- ▶ Order of calculation:

1. Calculate unrestricted ICR
2. Adjust indirect cost pool and MTDC
3. Calculate restricted ICR



How TEA Calculates Rates

- ▶ ICR calculation based on school district's actual audited costs as submitted in the Annual Financial Report (AFR)
- ▶ AFR information is used to complete ICRP for subsequent school year



Classification of Costs

In the ICRP, school district's classify actual audited costs into one of four categories:

- Excluded costs
- Unallowable costs
- Direct costs
- Indirect costs



Classification of Costs

Excluded	Unallowable	Direct	Indirect
Debt Service (65xx)	Fines/Penalties	Salaries to Programs	Procurement
Capital Outlay (66xx)	Contingencies	Supplies for Programs	Payroll
Food and Milk Purchases (6341)	Bad Debt	Travel expenses for Programs	Personnel
TRS on behalf (6144)	Entertainment	Curriculum Development	Data Processing
Medicaid Part D (6144)	Donations	Pupil Services	Maintenance (general administration)
Subrecipient Items: <ul style="list-style-type: none"> • Subawards exp >\$25K • Payment to SSA Fiscal Agents • Pass-Through Funds 	Alcoholic Beverages	Library Services	General management costs
	Governance (School Board – Org code 702 and Tax Office – Org code 703)	Instructional Services	
Modified Total Direct Cost			Indirect Cost

ICRP Excel Workbook

- ▶ Complete certification of indirect costs
- ▶ Classify actual audited costs
- ▶ Report adjustments to calculate restricted indirect cost rate
- ▶ Provide supporting detail of subrecipient items and other excluded costs



ICRP Excel Workbook

- ▶ Actual audited costs reported in ICRP Excel workbook must reconcile to AFR:
 - Statement of Revenues, Expenditures, and Changes in Fund Balances—Governmental Funds
 - Statement of Revenues, Expenditures, and Changes in Fund Net Position—Proprietary Funds
 - Capital asset section of the Notes to the Financial Statements



ICRP Excel Workbook – U1

					Do Not Duplicate Costs						
					Total Costs	Excluded Costs	Modified Total Direct Cost (MTDC) Pool		Indirect Cost Pool		
							Unallowable Costs (must include governance costs)	Direct Costs	Restricted Indirect Costs (salaries and fixed costs for specific personnel only)	Indirect Costs (all other)	
<i>*NOTE: Do not duplicate costs</i>											
	FUNC	ORG	PIC	OBJ	DESCRIPTION						
Leadership	Instructional and School Leadership										
	0021	All	All	All	Instructional Leadership	\$ 14,758,054	\$ 5,903	\$ -	\$ 13,510,223	\$ 1,241,928	
	0023	All	All	All	School Leadership	\$ 50,207,799	\$ 20,084	\$ -	\$ 50,187,715		
Support	General Administration										
	0041	All	All	611X	Payroll Costs: Teachers and Other Professional Personnel	\$ 9,219,041	\$ -	\$ 59,503	\$ -	\$ 754,901	\$ 8,404,637
	0041	All	All	612X	Payroll Costs: Support Personnel	\$ 1,155,066	\$ -	\$ 3,203	\$ -	\$ 177,133	\$ 974,730
	0041	All	All	613X	Employee Allowances	\$ 54,837	\$ -	\$ -		\$ 4,484	\$ 50,352
	0041	All	All	614X	Employee Benefits (Fixed Costs)	\$ 509,946	\$ -	\$ -		\$ 64,441	\$ 445,505
	0041	All	All	6211	Legal Services	\$ 1,019,458		\$ -	\$ 1,019,458		
Action/Student/Ancillary Services Direct Costs	Student Support Services										
	0031	All	All	All	Guidance, Counseling and Evaluation Services	\$ 26,174,697	\$ 130,873	\$ -	\$ 26,043,824	\$ -	
	0032	All	All	All	Social Work Services	\$ 5,759,976	\$ 28,809	\$ -	\$ 5,731,167	\$ -	
	0033	All	All	All	Health Services	\$ 6,643,915	\$ 33,220	\$ -	\$ 6,610,695	\$ -	
	0034	All	All	All	Student (Pupil) Transportation	\$ 30,347,347	\$ 3,763,768	\$ -	\$ 26,583,579	\$ -	
	0035	All	All	All	Food Services	\$ 37,668,201	\$ 20,188,341	\$ -	\$ 17,479,860	\$ -	
	XXXX	XXX	XXX	XXX	Food Service Enterprise Fund (if applicable)	\$ 115,541,752	\$ 50,530,940	\$ -	\$ 65,010,812	\$ -	
Occupancy and Space Maintenance	Support Services - Non-Student Based										
	0051	All	All	All	Facilities Maintenance and Operations	\$ 80,455,395	\$ 6,517,418	\$ -	\$ 58,101,420	\$ 178,594	\$ 15,657,963
	0052	All	All	All	Security and Monitoring Services	\$ 9,122,658	\$ 121,018	\$ -	\$ 7,291,827	\$ 11,392	\$ 1,698,421
	0053	All	All	All	Data Processing Services	\$ 21,544,403	\$ 188,710	\$ -	\$ 2,398,656	\$ -	\$ 18,957,037
	Total costs of all functions					\$ 1,235,808,203	\$ 370,211,261	\$ 230,718	\$ 813,522,533	\$ 2,432,873	\$ 49,410,818
	Total costs of all functions (without food service enterprise)					\$ 1,120,266,451					
Depreciation											
Occupancy and Space Maintenance	From capital asset activity in annual financial and compliance report (required)				Total cost of buildings and improvements (minus land costs, depreciation of buildings over 50 years old, and federal money used to pay for buildings)	\$ 1,324,677,764					\$ 26,493,555
					Total cost of furniture and equipment (minus depreciation of furniture and equipment over 16 years old and federal money used to pay for furniture and equipment)	\$ 95,319,700					\$ 6,354,678
							\$ 230,718	\$ 813,522,533	\$ 2,432,873	\$ 82,259,052	
							Modified Total Direct Cost (MTDC) Pool		Indirect Cost Pool		
Unrestricted Indirect Cost Rate											
			A		B		C				
			Indirect Cost Pool		MTDC Pool		Reduction of Discount Factor (5%)				
			\$84,691,925		\$813,753,251		95%				
					A / B * C						
					Rate						
					9.887%						



ICRP Excel Workbook – U1

Reconciliation to AFR

School District Indirect Costs
Fiscal Year 2014
U-1: Unrestricted
Anywhere

Total Costs

**NOTE: Do not duplicate costs*

	FUNC	ORG	PIC	OBJ	DESCRIPTION	
Leadership	Instructional and School Leadership					
	0021	All	All	All	Instructional Leadership	\$ 14,758,054
	0023	All	All	All	School Leadership	\$ 50,207,799
Support	General Administration					
	0041	All	All	611X	Payroll Costs: Teachers and Other Professional Personnel	\$ 9,219,041
	0041	All	All	612X	Payroll Costs: Support Personnel	\$ 1,155,066
	0041	All	All	613X	Employee Allowances	\$ 54,837
	0041	All	All	614X	Employee Benefits (Fixed Costs)	\$ 509,946
	0041	All	All	6211	Legal Services	\$ 1,019,458
Space	Support Services - Non-Student Based					
	0051	All	All	All	Facilities Maintenance and Operations	\$ 80,455,395
	0052	All	All	All	Security and Monitoring Services	\$ 9,122,658
	0053	All	All	All	Data Processing Services	\$ 21,544,403
	Total costs of all functions					
Total costs of all functions (without food service enterprise)						\$ 1,120,266,451

Anywhere Independent School District

Statement of Revenues, Expenditures, and Changes in
Fund Balances – Governmental Funds

98
Total
Governmental
Funds

Year Ended August 31, 2014

Data Control Codes	Expenditures	
	Current:	
0011	Instruction	459,864,677
0012	Instructional resources and media services	13,221,461
0013	Curriculum and instructional staff development	28,874,670
0021	Instructional leadership	14,758,054
0023	School leadership	50,207,799
0031	Guidance, counseling, and evaluation services	26,174,697
0032	Social work services	5,759,976
0033	Health services	6,643,915
0034	Student (pupil) transportation	30,347,347
0035	Food services	37,668,201
0036	Curricular/extracurricular activities	14,710,271
0041	General administration	16,789,544
0051	Plant maintenance and operations	80,455,392
0052	Security and monitoring services	9,122,658
0053	Data processing services	21,544,403
0061	Community services	15,959,197
0071	Principal and interest on long-term debt	90,571,144
0081	Capital outlay	68,009,441
0091	Contracted instructional services between schools	123,774,675
0093	Payments related to shared services arrangements	1,658,106
0099	Other intergovernmental charges	4,150,819
6030	Total expenditures	1,120,266,451

ICRP Excel Workbook – U1 Food Service Enterprise Fund Reconciliation to AFR

Instruction/Student/Ancillary Services	Direct Costs								
0012	All	All	All	Instructional Resources and Media Services	\$ 13,221,461	\$ -	\$ -	\$ 13,221,461	\$ -
0013	All	All	All	Curriculum Development and Instructional Staff Development	\$ 28,874,670	\$ 4,220	\$ -	\$ 28,870,450	\$ -
Student Support Services									
0031	All	All	All	Guidance, Counseling and Evaluation Services	\$ 26,174,697	\$ 130,873	\$ -	\$ 26,043,824	\$ -
0032	All	All	All	Social Work Services	\$ 5,759,976	\$ 28,809	\$ -	\$ 5,731,167	\$ -
0033	All	All	All	Health Services	\$ 6,643,915	\$ 33,220	\$ -	\$ 6,610,695	\$ -
0034	All	All	All	Student (Pupil) Transportation	\$ 30,347,347	\$ 3,763,768	\$ -	\$ 26,583,579	\$ -
0035	All	All	All	Food Services	\$ 37,668,201	\$ 20,188,341	\$ -	\$ 17,479,860	\$ -
XXXX	XXX	XXX	XXX	Food Service Enterprise Fund (if applicable)	\$ 115,541,752	\$ 50,530,940	\$ -	\$ 65,010,812	\$ -
0036	All	All	All	Extracurricular Activities	\$ 14,710,271	\$ 73,551	\$ -	\$ 14,636,720	\$ -
Ancillary Services									
0061	All	All	All	Community Services	\$ 15,959,191	\$ 79,796	\$ -	\$ 15,879,401	\$ -
0062	All	All	All	School District Administration			\$ -	\$ -	\$ -

Anywhere Independent School District Statement of Revenues, Expenses, and Changes in Fund Net Assets

Proprietary Funds

For the Fiscal Year Ended August 31, 2014

	Food Service Fund	Nonmaj Enterprise Funds
OPERATING REVENUES:		
Charges for sales and services:		
Sales to customers	\$ 9,645,209	\$ -
Consulting services	-	13,970,5
Charges to other funds	-	-
Miscellaneous	762,895	-
Total operating revenues	<u>10,408,104</u>	<u>13,970,</u>
OPERATING EXPENSES:		
Payroll costs	43,815,423	1,458,
Purchased and contracted services	11,769,804	10,762,
Supplies and materials	53,883,578	63,
Other operating expenses	1,019,853	185,
Claims and judgments	-	-
Depreciation	53,094	12,
Total operating expenses	<u>115,541,752</u>	<u>12,482,</u>



DIVISION OF
FEDERAL FISCAL COMPLIANCE
& REPORTING

ICRP Excel Workbook – U1

Capital Asset Activity Reconciliation to AFR

Occupancy and Sp Maintenance	<i>Total costs of all functions</i>		\$ 1,235,808,203	\$ 370,211,261	\$ 230,718	\$ 813,522,533	\$ 2,432,873	\$ 49,410,818
	<i>Total costs of all functions (without food service enterprise)</i>		\$ 1,120,266,451					
	Depreciation							
	From capital asset activity in annual financial and compliance report (required)	Total cost of buildings and improvements (minus land costs, depreciation of buildings over 50 years old, and federal money used to pay for buildings)	\$ 1,324,677,764					\$ 26,493,555
	Total cost of furniture and equipment (minus depreciation of furniture and equipment over 16 years old and federal money used to pay for furniture and equipment)	\$ 95,319,700					\$ 6,354,678	

Anywhere Independent School District

Notes to Basic Financial Statements

Changes in Capital Assets

August 31, 2014

The following summarizes the change in capital assets for the year ended August 31, 2014:

	<u>Beginning Balances</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balances</u>
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 53,558,267	\$ 154,044	\$ -	\$ 53,712,311
Construction in progress	129,260,976	47,366,679	(155,025,423)	21,602,232
Total capital assets not being depreciated	182,819,243	47,520,723	(155,025,423)	75,314,543
Capital assets being depreciated:				
Property under capital leases	15,759,460	-	-	15,759,460
Buildings and improvements	1,148,050,109	155,025,423	-	1,303,075,532
Furniture and equipment	73,352,619	8,980,451	(2,772,830)	79,560,240



ICRP Excel Workbook – Restricted Rate Adj

School District Indirect Cost Rate Proposal
Fiscal Year 2016
Restricted Indirect Cost Rate Adjustment
(Moves Certain Indirect Costs to the MTDC Pool)
Anywhere ISD

Square Footage Allocation (Required)	
Total square footage of all district-wide buildings and space:	426,561
Square footage of common areas (areas all employees use, such as bathrooms, hallways, and break rooms):	29,999
Square footage of idle spaces (empty spaces not in use, such as section/floor of building not currently used):	12,856
Total modified square footage:	385,706
Square footage occupied by superintendent, CEOs of components, and their immediate support staff:	11,623
Adjustment from indirect to unallowable:	3.0%

Report square footage data for administrative buildings related to “**all district-wide**” general administration. Of that square footage amount report the square footage for the other rows (common areas, idle spaces, space occupied by superintendent, CEOs of components, and their respective administrative and/or executive assistants). **Do not** report square footage of all buildings of the school district.

	Indirect Costs	Costs Moved from Indirect Cost Pool to MTDC Pool
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Support Service						
FUNC	ORG	PIC	OBJ	DESCRIPTION		
0051	All	All	All	Facilities Maintenance and Operations	\$ 15,657,963	\$ 471,843
0052	All	All	All	Security and Monitoring Services	\$ 1,698,421	\$ 51,181
0053	All	All	All	Data Processing Services	\$ 18,957,037	\$ 571,258
From capital asset activity in annual financial and compliance report (required)		Total cost of buildings and improvements (minus land costs, depreciation of buildings over 50 years old, and federal money used to pay for buildings)			\$ 26,493,555	\$ 26,493,555.28
		Total cost of furniture and equipment (minus depreciation of furniture and equipment over 16 years old and federal money used to pay for furniture and equipment)			\$ 6,354,678	\$ 6,354,678.44



ICRP Excel Workbook – R-1

School District Indirect Cost Rate Proposal
 Fiscal Year 2016
 R-1: Restricted Rate
 Anywhere ISD

No Data Entry
 No data entry is allowed on this tab.

 This tab will be automatically populated from data you entered on the U-1 and Restricted Rate Adjustment tabs.

		Do Not Duplicate Costs								
		Total Costs	Excluded Costs	Modified Total Direct Cost (MTDC) Pool		Indirect Cost Pool Indirect Costs (all other)				
DESCRIPTION				Unallowable Costs (must include governance costs)	Direct Costs		Restricted Indirect Costs (salaries and fixed costs for specific personnel only)			
Leadership										
0021	All	All	All	Instructional Leadership	\$ 14,758,054	\$ 5,903	\$ -	\$ 13,510,223	\$ 1,241,928	
0023	All	All	All	School Leadership	\$ 50,207,799	\$ 20,084	\$ -	\$ 50,187,715	\$ -	
General Administration										
0041	All	All	611X	Payroll Costs: Teachers and Other Professional Personnel	\$ 9,219,041		\$ 59,503	\$ -	\$ 754,901	\$ 8,404,637
0041	All	All	612X	Payroll Costs: Support Personnel	\$ 1,155,066		\$ 3,203	\$ -	\$ 177,133	\$ 974,730
0041	All	All	613X	Employee Allowances	\$ 54,837		\$ -	\$ -	\$ 4,484	\$ 50,352
0041	All	All	614X	Employee Benefits (Fixed Costs)	\$ 509,946		\$ -	\$ -	\$ 64,441	\$ 445,505
0041	All	All	6211	Legal Services	\$ 1,019,458		\$ -	\$ 1,019,458	\$ -	\$ -
0041	All	All	6212	Audit Services	\$ 167,067		\$ -	\$ -	\$ -	\$ 167,067
0041	All	All	6213	Tax Appraisal and Collection	\$ -		\$ -	\$ -	\$ -	\$ -



ICRP Excel Workbook – Excluded Costs

School District Indirect Cost Rate Proposal Fiscal Year 2016 Excluded Costs Anywhere ISD	
Description of Cost	Amount
Subrecipient Items (automatically populated from the subrecipient items tab)	\$ 125,432,781
Capital (capitalized land, buildings, and equipment)	
Capital project fund	\$ 72,422,483
Capital outlay not included in capital projects fund (6600)	\$ 7,722,391
Debt (including interest)	
Debt service fund	\$ 88,634,106
Debt service not included in debt service fund (6500)	\$ 1,129,400
Other Excluded Items	
TRS On-Behalf payments (only those paid from governmental funds, 6144)	\$ -
Medicaid Part D Payments (only those paid by the LEA from governmental funds, 6144)	\$ -
Food and milk costs in the school food service program (6341)	\$ 70,719,281
Monetary judgments against district/school	\$ -
Internal service fund expenditures (only if within the total of the governmental funds)	\$ -
Indirect cost recoveries (only if within the total of the governmental funds)	\$ -
Other transfers (itemize each transfer)	\$ -
Anywhere Community College	\$ 2,895,463
Anywhere County	\$ 1,255,356

Reconciliation of totals for Excluded Costs

U-1 of ICRP excel workbook				Total Costs	Excluded Costs
<i>*NOTE: Do not duplicate costs</i>					
FUNC	ORG	PIC	OBJ	DESCRIPTION	
Support Services - Non-Student Based					
0051	All	All	All	Facilities Maintenance and Operations	\$ 80,455,395
0052	All	All	All	Security and Monitoring Services	\$ 9,122,658
0053	All	All	All	Data Processing Services	\$ 21,544,403
Total costs of all functions				\$ 1,235,808,203	\$ 370,211,261
Grand Total of Excluded Costs:					\$ 370,211,261

The grand total of excluded costs must equal with the "excluded costs" column total of U-1 tab

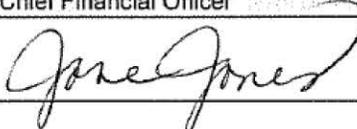
"Excluded costs" column total from U-1 tab **\$ 370,211,261**

Totals in blue must be the same

Add additional rows as needed between rows 24 and 33



ICRP Excel Workbook - Certification

School District Indirect Cost Rate Proposal Fiscal Year 2016 Certification Anywhere ISD	
<p>This is to certify that I have reviewed the indirect cost rate proposal submitted herewith, and that to the best of my knowledge and belief:</p> <ol style="list-style-type: none">1. All costs included in this proposal to establish indirect cost rates are allowable in accordance with the requirements of the federal award to which they apply and Office of Management and Budget Circular A-87, "Cost Principles for State, Local, and Indian Tribal Governments." Certain costs have been classified as unallowable costs in accordance with my school district's accounting or cost policies.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 classified as indirect costs have not been classified as direct costs. Similar types of costs have been classified consistently and the federal government will be notified of any accounting changes that would affect the predetermined rate.3. All records and documentation supporting the indirect cost allocation plan will be retained for a period of three years after the last day of the fiscal year to which the proposal applies or until audited, whichever occurs sooner.4. My district's accounting records are maintained in accordance with Module 1, Financial Accounting and Reporting, of TEA's Financial Accountability System Resource Guide, and I have included all costs identified as governmental funds and food service enterprise funds, if applicable.	
<p>I declare that the foregoing is true and correct.</p>	
Name of School District:	Anywhere ISD
Name of Official:	Jane Jones
Title:	Chief Financial Officer
Signature:	
Date:	1/16/2015



Deadline for Requesting an ICR

Indirect Cost Rate Proposal

- ▶ Due annually in February
- ▶ May not be submitted late

School districts that miss the February deadline will not receive an ICR



Submitting the Completed ICRP

- ▶ Deadline: February 13, 2015
- ▶ Submit **all three** required documents of ICRP via GFFC Reports and Data Collections:
 1. ICRP Excel workbook
 2. Certification
 3. Organizational chart
- ▶ Refer to Page 12 of ICRP Guidance Handbook for specific instructions of how to upload ICRP to GFFC Reports and Data Collections



Contact Information and Resources

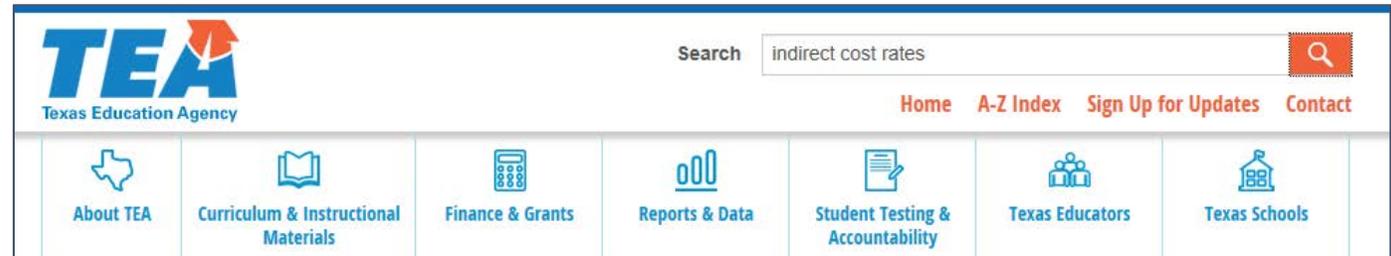
Division of Federal Fiscal Compliance and Reporting

- ▶ Phone: (512) 463-9127
- ▶ Email: compliance@tea.texas.gov

[Indirect Cost Rates](#) page of TEA Website

Finance & Grants/Grants/Compliance and Reporting/Indirect Costs.
Or search for “**indirect cost rates**”

- ▶ ICRP Guidance Handbook
- ▶ ICRP Excel Workbook



The screenshot shows the top navigation bar of the Texas Education Agency (TEA) website. On the left is the TEA logo. To its right is a search bar containing the text 'indirect cost rates'. Further right are links for 'Home', 'A-Z Index', 'Sign Up for Updates', and 'Contact'. Below the search bar is a horizontal menu with seven items: 'About TEA', 'Curriculum & Instructional Materials', 'Finance & Grants', 'Reports & Data', 'Student Testing & Accountability', 'Texas Educators', and 'Texas Schools', each with a corresponding icon.

