



To the Administrator Addressed

Commissioner Mike Morath

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DATE:	October 31, 2024
SUBJECT:	2025-2026 Process for Requesting Indirect Cost Rates (School Districts Only*)
CATEGORY:	Funding Implications and Pending Deadline
NEXT STEPS:	Submit Indirect Cost Rate Proposal (ICRP) Additional Costs Workbook (ACW) by January 17, 2025 to receive an indirect cost rate for 2025-2026

The US Department of Education (USDE) has given the Texas Education Agency (TEA) authority to issue indirect cost rates for independent school districts, open-enrollment charter schools and certain other government entities. To recover any indirect costs, these grantees must request and receive a new indirect cost rate for every school year. This correspondence is to inform school districts about the process.

Process for Requesting an Indirect Cost Rate

School districts must request an indirect cost rate each year by completing and submitting the Indirect Cost Rate Proposal (ICRP) Additional Costs Workbook (ACW). The submission deadline is January 17, 2025.

The submission of the ICRP ACW serves as the district’s request for an indirect cost rate. Rates will be calculated only for districts that promptly submit a completed ICRP ACW.

***Note:** Charter school guidance will be provided in a separate communication next spring.

PEIMS Data

In the completed ICRP ACW, the district is required to provide approximately 10% of the data necessary to complete the ICRP. The remaining 90% of the required data are drawn from the district’s certified Public Education Information Management System (PEIMS) data.

TEA will populate a full ICRP by merging PEIMS data with the district’s submitted data. TEA will then provide the completed ICRP for review and certification by the district. Information regarding the review and certification process for the complete ICRP will be provided to districts in spring 2025.

Completing and Submitting the ICRP ACW

The ICRP ACW is available from the [Indirect Cost Rates](#) page of the TEA website or the secure Grants and Federal Fiscal Compliance (GFFC) Reports and Data Collections application accessible through the Texas Education Agency Login ([TEAL](#)).

The current ICRP ACW includes the following worksheets: District Information, Checklist, Organizational Chart Sample, Organizational Chart and Additional Costs fiscal year (FY) 2024 for school year 2023–2024 only. No analysis or classification of costs by the district will be required.

For districts that submitted the ICRP ACW last year to receive an indirect cost rate in 2024–2025, the two previous years of financial data (2021–2022 and 2022–2023) will be carried forward from last year’s submission when TEA creates the ICRP.

Instructions for completing the ICRP ACW are available on the [Indirect Cost Rates](#) webpage. Once the ICRP ACW is completed, submit it through the secure GFFC Report and Data Collections application in [TEAL](#). The Instructions document includes step-by-step upload instructions.

If your district did not request rates for the 2024–2025 school year, or if this is the first time your district is submitting an ICRP ACW, you must also submit the additional year(s) of financial data. If this is the case, please contact the Federal Fiscal Compliance and Reporting Division at compliance@tea.texas.gov for further instructions and additional forms.

2025–2026 Indirect Cost Rates Timeline

The following table lists milestones for the indirect cost rates request process:

Tentative Date	Action
October 31	ICRP ACW is made available via the Indirect Cost Rates webpage and the secure GFFC Reports and Data Collections application, accessible through TEAL .
January 17	Deadline for districts to request an indirect cost rate by submitting the ICRP ACW in GFFC Reports and Data Collections.
January – April	TEA reviews all submitted ICRP ACWs and requests clarification and/or re-submissions as needed.
April 17	TEA provides complete ICRPs to districts for review and certification.
May 16	Due date for districts to submit ICRP Certification in GFFC Reports and Data Collections
July 1	Notification Letter - Indirect Cost Rate will be posted in GFFC Reports and Data Collections, accessible through TEAL .

ICRP ACW Training

The Federal Fiscal Compliance and Reporting Division will provide two online training opportunities via Zoom for districts interested in learning more about completing the request for indirect cost rates for 2025–2026. Details of the two identical sessions are outlined below:

- **November 12, 2024**, from 10:00–11:30 a.m. – [Register](#)
- **December 11, 2024**, from 1:00–2:30 p.m. – [Register](#)

Resources

Please refer to the [Indirect Cost Rates](#) page of the TEA website for further information and additional resources regarding indirect cost rates.

For Further Information

If you have questions about the indirect cost rates process and/or the ICRP ACW, please email compliance@tea.texas.gov.