



Indirect Rates LEAs & ESDs

2018-2019

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Indirect Cost Rates

by OFA Financial Services

Welcome 2018!

We are halfway through the school year and spring is just around the corner! With spring comes flowers, more hours of daylight, and the thoughts of indirect cost rates (Ha!).

While indirect cost rates might not be what comes to mind when you hear the word "spring," however, getting an early start on applying for an indirect rate for the upcoming year can be very beneficial. Knowing your rate sooner makes budget planning a lot easier. Since many districts and ESDs wait until summer to apply for a rate, applying early means you will beat the rush and receive your finalized rate sooner.

Generic E-Mail Address

Just as a friendly reminder, please make sure you are set up to receive e-mails to your generic e-mail address. This type of e-mail address is essentially a "role based" e-mail address and ODE asks all LEAs and ESD to setup a generic e-mail address for receiving messages sent through the Indirect Cost Rate Certification Application (ICRS). The ICRS uses a generic e-mail address to communicate important information to school district business managers and provides a consistent contact point with the school districts which does not change when personnel changes.

In addition to providing a consistent contact point, another benefit of the generic e-mail is the ability to send a message to one or more recipients if they are setup to receive e-mails sent to the generic e-mail address. In collaboration with your IT staff, you control which person(s) have permission access the generic e-mail address.

Please work with your friendly IT staff to make sure that the generic e-mail address is

working properly and is configured as follows: [BusMgr@\[district name\].k12.or.us](mailto:BusMgr@[district name].k12.or.us)

2018-19 Availability

We are hoping to have 2018-19 open in the ICRS by April 15, 2018 (*if not sooner*)

We will send out more information via e-mail in the next couple of months. Reminder...to be sure that you do not miss any of these e-mails, please make sure your generic e-mail address is working and you have access to that mailbox.

Due Dates

The due date for indirect rate certification is October 1 of each year.

School Year	Due Date
2018-19	10/01/18
2019-20	10/01/19
2020-21	10/01/20

Please keep in mind that finalized means ODE has reviewed and approved all the adjustments.

Please submit your certification at least five business days before the due date will allow ODE to enough time to review your rate and you enough time to make any corrections if necessary.

Important Dates for 2018-19 Indirect Rate Application

- ✓ April 16 - 2018-19 open in ICRS
- ✓ October 1 - 2018-19 due

Frequently Asked Questions

Get the answers to some of the most common questions.



Upcoming Dates

Important, upcoming dates that you will want to keep handy including: when you can apply for an indirect rate for 2018-19 and the deadline for submitting your application.

School Year	Due Date
2018-19	10/01/18



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FAQ's

by OFA Financial Services

What are indirect costs?

Indirect costs are those costs that are not readily identifiable with the activities of the grant or contract but are nevertheless, incurred for the joint benefit of those activities and other activities and programs of the organization. Indirect costs are frequently referred to as overhead costs.

What are some common indirect costs?

Typical examples of indirect costs may include procurement, payroll, personnel functions, maintenance and operations of space, data processing, accounting, auditing, utilities (telephone, internet, electricity, etc.), and rent, just to name a few.

What is an indirect cost rate?

An indirect cost rate is a device for determining, in a reasonable manner, what portion of allowable general administrative expenses each department, grant, program, etc. An indirect cost rate is the ratio of total indirect costs to total direct costs, based on the actual expenditures.

Can my district or ESD claim indirect costs?

Yes, but only if you have an approved, indirect cost rate. Once you have an approved indirect cost rate, you can periodically draw down indirect against your direct grant expenditures.

Is an indirect rate required for LEAs or ESDs?

No, an LEA or ESD is not required to have an indirect rate. If an LEA or ESD does not wish to recover indirect costs for federal grants and contracts, it is not required to do so. Applying for a rate is optional; however, an LEA or ESD cannot recover indirect costs without an approved, indirect cost rate.

How does an LEA or ESD obtain a rate?

An LEA or ESD must apply annually for an indirect rate. The Indirect Cost Rate System (ICRS) is the online application system for applying for an indirect cost rate. The ICRS is a database on ODE's website. This process begins in spring (*early to mid-April*) for the upcoming school or fiscal year. For example, for the 2018-19 year, an LEA or ESD would apply for a rate any time after April 1, 2018 and before October 1, 2018.

What is the period of an approved rate?

The rate is effective July 1 through June 30. If you apply for a rate after July 1, the rate will be retroactive as of July 1. For example, for 2018-19, the rate is effective 07/01/18 - 06/30/19.

I had an approved rate last year but forgot to apply for a rate for the current year, can I just use the prior year's rate?

No. You must have an approved rate for the current year and you would not be able to recover any indirect costs. You could still recover indirect costs on any the prior year's expenditures without an approved rate



I am new to the LEA or ESD, are there any instructions or user guides?

Yes. The *ODE Indirect Cost Policy Handbook* and the *Indirect Cost Rate System Instructions* are two documents that you will want to be familiar with prior to starting your indirect rate application. You can find them on ODE's webpage or, contact Julie Hansen @ julie.b.hansen@state.or.us.

What is an indirect cost rate?

An indirect cost rate is a device for determining, in a reasonable manner, what portion of allowable general administrative expenses each department, grant, program, etc. An indirect cost rate is the ratio of total indirect costs to total

Is the process for LEAs and ESDs the same?

No. The process is slightly different for ESDs. The methodology for calculating the rate is different for ESDs than LEAs and therefore, the application process in the ICRS is slightly different.

Can indirect cost related e-mails be sent to my work e-mail address instead of the generic e-mail address?

No. The main reason for generic e-mail addresses is people change jobs. Each year, there are many changes in district and ESD personnel. Since ODE serves 197 school districts and 19 education service districts (ESD), this means there could potentially be many changes each year. New Business Managers are hired to replace those who may have retired or took another job opportunity. A generic e-mail address provides a single point of contact for ODE and gives the district and ESD the option of having one person or multiple people receive e-mails sent to the generic address.

Please work with your Information Technology staff or department to create the generic e-mail address or, if one already exists, give you permission to access the inbox.

