**Indirect Cost Proposal: Checklist[[1]](#footnote-1)**

Sample Proposal

Section

**A**

**B**

**C**

**D, E, F**

**G**

**H**

**I**

**J**

**J**

* 1. **Contact person information** (preferably the person who prepared the proposal):
* Entity name and mailing address
* Employer Identification Number (EIN)
* Point-of-contact name and position title
* Email address (very important)
* Phone and fax numbers
* Entity’s internet website address, if any Page #
* 2. **Type of rate and fiscal period(s)** for which a rate is proposed. Page #
* 3. A copy of the **3** most recent signed **negotiation agreements**

 (1st year submission only) Page #

* 4. Entity’s written policy for allocating and identifying direct and

 indirect costs, i.e., **cost allocation methodology (Schedule A,**

 **Elements of Cost)** Page #

* 5. Description of the **base used in the rate calculation**. Page #
* 6. Applicable **audited financial statement** and single audit reports

If Entity is under the A-133 threshold ($5,000,000) and does not have an audit, then a copy of IRS Form 990 is required. Page #

* 7. Description of **accounting system**. Page #
* 8. A breakdown of **indirect salaries** by position title, amount and

 indirect percentage **(Schedule B, Indirect Salaries, Wages**

 **and Fringes).** Page #

* 9. A breakdown of **fringe benefits** **(Schedule B, Indirect**

 **Salaries, Wages and Fringes).** Page #

* 10. Description of non-profit’s timekeeping system and a copy of a

 completed time sheet, if applicable, when an employee works on

Sample Proposal

Section

**J**

**K**

**L**

**M**

**N**

**O**

**Sch C**

**P**

**Q**

 multiple activities or cost objectives. **(Schedule B, Indirect**

 **Salaries, Wages and Fringes)** Page #

* 11. Treatment of **paid absences** (1st year submission only). Page #
* 12. **A schedule that summarizes total costs by line item expenditure
(Schedule C, Schedule of Total Expenditures)** which should include
but not be limited to:
* Total expenditures (reconcilable to the audit if using actual numbers)
* Exclusions with footnote explanation
* Direct costs and indirect costs
* Indirect cost rate calculation and federal percentage
* Reconciliation Page #
* 13. A **list of subawards or subcontracts** that are given out by

 the Entity (required for Modified Total Direct Cost (MTDC)

 (base only). Page #

* 14. **Depreciation schedule** if depreciation is included as indirect costs. Page #
* 15. Schedule of all funding by program title and grouped by funding

 agency with majority **federal funding listed** on top

 **(Schedule D, Schedule of Funding).** Page #

* 16. Did your organization receive **more than $10 million in federal
funding of direct costs** in the fiscal year(s) in which you are requesting
an indirect cost rate?
* If yes, 2 CFR 230, Appendix A, subparagraph D.2.e, states “…a breakout of the indirect cost component into two broad categories, Facilities and Administration as defined in subparagraph C.3 of this appendix is required. The rate in each case shall be stated as a percentage which the amount of the particular indirect category (i.e., Facilities or Administration) is of the distribution base identified with that category.”
* If no, this breakout is not required.
* 17. **Federal percentage** – the approximate percentage of federal

 funding for each year a rate is proposed. Page #

* 18. **Organization chart (Schedule E, Organization Chart).** Page #
* 19. Signed **certificate of indirect costs.** Page #

Sample Proposal

Section

**R**

**R**

**S**

* 20. Signed **lobbying certificate.** Page #
* 21. A copy of the **IRS letter** granting non-profit status

 (1st submission only). Page #

1. These materials were adapted by attorneys at the law firm of Feldesman Tucker Leifer Fidell LLP from federal government on-line resources. The sample documents offer general guidance based on federal law and regulations and do not necessarily apply to all PCAs-HCCNs under all facts and circumstances. Further, these materials do not replace, and are not a substitute for, legal advice from qualified legal counsel. [↑](#footnote-ref-1)