



U.S. Department of Justice

Office of Justice Programs

Office of the Chief Financial Officer

Washington, DC 20531

INDIRECT COST INFORMATION

Attached is information pertaining to the preparation of an Indirect Cost Proposal.

Before an organization/State submits the Indirect Cost Proposal, it should:

1. Determine which Federal agency is responsible for negotiating indirect cost rates by assessing the direct Federal dollars expended during the year. The Federal agency with the preponderance of Federal funding is responsible for negotiating overhead rates.
2. Submit an Indirect Cost Proposal to the Federal cognizant agency. After receipt and review of this documentation, a final and provisional rate will be established.

Six months after the close of the fiscal year, the provisional rate received must be finalized and a new provisional rate established. The organization/state is required to submit an Indirect Cost Proposal based on the prior year's audited Financial Statement which will support the final rate/fixed with carry forward request. In support of this data, the organization should submit the appropriate financial report and the indirect cost proposal requests to OJP electronically at:

OCFOindirectcost@ojp.usdoj.gov

Reference related to Direct and Indirect Costs is located in 2 CFR 200 Part, Subpart E, Cost Principles, Direct and Indirect costs at: <https://www.ecfr.gov/cgi-bin/text-idx?SID=c92c4f67f4d2c0c0edeeb569361d4924&mc=true&node=sp2.1.200.e&rgn=div6>

Audits of nonprofit organizations and State must be in compliance with Federal auditing and reporting standards set forth in the: (1) *Government Auditing Standards*, 2011 Revision and (2) 2 CFR 200 Part Subpart F Audit Requirements. These two documents can be found at:

1. <http://www.gao.gov/yellowbook/overview>
2. <https://www.ecfr.gov/cgi-bin/retrieveECFR?gp=&SID=c92c4f67f4d2c0c0edeeb569361d4924&mc=true&n=pt2.1.200&r=PART&ty=HTML#sp2.1.200.f>

Government agencies wishing to submit an indirect cost should visit:

<https://rates.psc.gov/fms/dca/s&l.html>

Non-profit organizations wishing to submit an indirect cost should visit:

<https://rates.psc.gov/fms/dca/np.html>

Sincerely,

Rachel Johnson
Chief Financial Officer