TO: Superintendents of Schools
School Business Officials

FROM: Kathy Demsey, Chief Financial Officer

DATE: January 26, 2018

SUBJECT: 2018-19 Indirect Cost Proposals

This is to notify you that state fiscal year 2018-19 indirect cost proposals are due to the Connecticut State Department of Education (CSDE) by March 31, 2018.

An indirect cost rate is a means of determining the percentage of allowable general administrative expenses that each federal and state grant should bear. These rates are used for contracts, grants and assistance arrangements, identified in the “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards” (2CFR 200, subpart E) and Education Department General Administrative Regulations (EDGAR) 34 CFR 75.560 - 75.580 and 76.560 - 76.580. The rates set by the CSDE serve as the sole basis for budgeting and allocating indirect cost reimbursement under federal and state programs.

Please note that the state fiscal year 2018-19 rates are based on audited expenditures for state fiscal year 2016-17, and the classification of the audited expenditures must be in conformance with the publication Financial Accounting for Local and State School Systems 2014. Failure to comply with the classification of the expenditures may result in single audit questioned costs related to indirect cost recovery.

You are not required to develop an indirect cost proposal for your district. However, if you choose not to develop a proposal, your district will not be allowed to recover any indirect costs related to federal or state grants. To recover any indirect costs for the administration of federal or state grants, your district must have an approved indirect cost rate.

Any local educational agency (LEA) wishing to submit an indirect cost proposal must use the methodology explained in the Local Education Agency Federal Indirect Cost Proposals booklet dated July 2016. The booklet is available on the State Department of Education Web site (www.sde.ct.gov/sde). Click on “More” under “Quicklinks” and then “Indirect Cost Proposals”. The completed application should be forwarded to:

Connecticut State Department of Education
Bureau of Fiscal Services
P.O. Box 2219
Hartford, CT 06145-2219

If you have any questions concerning LEA indirect cost proposals or indirect costs in general, please contact David St Laurent at dave.stlaurent@ct.gov or 860-713-6646.

KD: dsl
cc: Gary Pescosolido
    Jeffrey Lindgren
    David St Laurent