

DESK REVIEW FOR THE 2023 INDIRECT COST PROPOSAL

Reviewed by: _____
 Date Reviewed: _____
 Date Approved: _____

LEA: _____
 CLB No. _____

REVIEW ITEM:**YES NO N/A**

1. Has the 2021 General Purpose Financial Statement been approved? *Please provide approval date.*
(The 2023 Indirect Cost Proposal cannot be completed until the 2021 GPFS is approved. If the 2021 GPFS is unapproved and revised, the indirect cost proposal should be based on the final revised expenditure amounts.) Approved Date: _____ **Y N N/A**
2. Is the LEA participating? If a non-participation form has been completed, no further review is needed. **Y N N/A**
3. Cover Page - Are all items filled in and is the superintendent's signature "original"?
 (Cover page with original signature is only item required to be mailed. Excel proposal file containing pages 3 through 10 may be submitted electronically to LEA's accountant aong with organization chart. The proposal is logged as received **when the cover page is received**) **Y N N/A**
4. Organization Chart - Has the LEA included the organization chart relative to the 2021 Fiscal Year?
 (The organization chart may be submitted electronically to LEA's accountant.) **Y N N/A**
5. Are all pages of the Indirect Cost Proposal included (pages 1-10)? **Y N N/A**
6. The data reports (pages 3, 4, 7, and 8) show "Pulled from Production" at the bottom.
Verify the date printed is after the financial statement was approved. **Y N N/A**

Indirect Cost - Unrestricted / CNP Special Rate Application - Fiscal Year 2021 Data

7. Does the indirect cost expenditures on *page 4A - Trend Analysis - Unrestricted Unadjusted Indirect* for Fiscal Year 2019, 2020, and 2021 match the *Unrestricted Indirect Cost Rate Data- Unadjusted* for Fiscal Year 2019, 2020 and 2021 by line item?
 (The expenditures for all three years must be entered from the data report. Page 5 of the proposal will pull the indirect cost number from page 4A.) **Y N N/A**
8. Does the carryforward entered on *page 4A - Trend Analysis - Unrestricted Unadjusted Indirect* for Fiscal Year 2019, 2020 and 2021 match the carryforward listed on the *FY2021 and FY2022 Approved Indirect Cost Proposals* for Fiscal Year 2019, 2020 and 2021? **Y N N/A**
9. Does the direct cost expenditures on *page 4B - Trend Analysis - Unrestricted Unadjusted Direct* for Fiscal Year 2019, 2020 and 2021 match the *Unrestricted Indirect Cost Rate Data- Unadjusted* for Fiscal Year 2019, 2020 and 2021 by line item?
 (The expenditures for all three years must be entered from the data report. Page 5 of the proposal will pull the direct cost number from page 4B.) **Y N N/A**
10. Does the "Proposed Pool and Base Amounts. . ." row balance back to the 2021 Unrestricted Indirect Cost Rate Data - Unadjusted report pulled from the upload system?
 (The totals in each cost category must agree. The only manual entry on the "Proposed Pool and Base Amounts..." row will be the Excluded Costs Column. The other columns will manually pull from the *Trend Analysis*.) **Y N N/A**

REVIEW ITEM:**YES NO N/A**

- | | | | |
|---|----------|----------|------------|
| 11. Federal Fund expenditures are not included in the unrestricted / cnp indirect cost pool. | Y | N | N/A |
| 12. Are the adjustments made on page 5 documented and are they in legal compliance with Title 2 CFR Part 200 (previously OMB A-87 Circular)? | Y | N | N/A |
| a. Auditing (object 323) paid from a general fund source is generally an allowable cost but is sometimes in excluded or disallowed because of the function code. Ensure eligible auditing costs are included in the indirect column. Single Audits - if the expenditure is allocated between both federal and local fund sources, the local fund source portion cannot be included in the indirect cost column. | Y | N | N/A |
| b. Legal expenditures (object 325) retainers and expenses required in administering Federal Programs are allowable. Costs for cases involving the Federal government and LEA Board of Education services are direct costs. Costs for services related to capital outlay should be excluded. Legal expenditures are automatically pulled to the direct column unless coded to an excluded function code or excluded fund source. | Y | N | N/A |
| c. Advertising (object 363) - may be an allowable indirect cost but not if for self promotion of the LEA (such as ads with the Chamber of Commerce and lobbying) or construction bid advertising. Advertising expenditures are automatically pulled to the direct column unless coded to an excluded function code or excluded fund source. Please refer to the federal regulations for other examples. | Y | N | N/A |
| d. Adjustments have been made for expenditures made under the flexibility allowance that are not coded to Fund Type 11 but are allowable in the indirect cost pool. Please note the expenditure would have been coded to an account number/object code/fund source allowable in the indirect cost pool; however, the fund type kept the expenditure from pulling to the indirect cost column. | Y | N | N/A |
| e. LEA's receiving Foundation funds for State Supported Special Education Facilities (Cost Center 3999) should exclude these amounts if the transaction is handled as a flow through. LEA's handling the administrative duties themselves would leave the expenditures as distributed. | Y | N | N/A |
| f. Fines and Penalties against the LEA are usually coded to object 961 which automatically pulls to the excluded column. An adjustment is needed for any fines and penalties against the LEA which are not coded to object 961. | Y | N | N/A |
| 13. Does the Adjusted Pool and Base Amounts row balance back to the approved 2021 Exhibit F-II? (The total expenditure amounts must agree). | Y | N | N/A |
| 14. Utility expenditures (object codes 37X) are recorded in Fund Source 5101 for the LEA's completing the CNP Rate Calculation page. If no, they are not eligible for the lower CNP IDC Rate and no amounts should be entered on the lines at the bottom of page 5. The LEA should have separate utility meters in their lunchrooms or have had a cost study done by Alabama Power if they are applying for the CNP Special Rate. | Y | N | N/A |

REVIEW ITEM:

YES NO N/A

- a. If yes to #14, have any eligible utilities paid outside of fund type 11 under the flex option been reflected in the adjustment line on the bottom of page 5? Y N N/A

- b. The "utilities shown as indirect" amount equals the amount shown on the bottom of the Unrestricted Indirect Cost Rate Data - Unadjusted report. Y N N/A

- c. The "Child Nutrition utilities paid direct" amount equals the amount shown on the bottom of the Unrestricted Indirect Cost Rate Data - Unadjusted report. (If this amount is \$0.00 no entries have been made in the CNP adjustment section of page 5). Y N N/A

- 15. The amounts entered in (1), (2), (3), (4), and (5) on the unrestricted rate calculation page are the same as the amounts as on the Fiscal Year 2021 IDC Application - unrestricted rate calculation page 6. Y N N/A

- 16. For systems whose negotiated unrestricted rate was 0.00% due to a negative rate for FY 2021, is the amount entered in (7) the amount of the fixed carry forward cell C31 not to exceed the indirect cost amount in cell E15? Y N N/A
 For systems whose negotiated unrestricted rate was positive for FY2021, is the amount entered in (7) the full amount of the fixed carry forward cell C31? Y N N/A

- 17. Are the proposed unrestricted indirect cost rates for 2023 comparable to the approved rates for 2022? Please explain reason for rate change. Y N N/A
 Previous _____ Proposed New _____

- 18. The amounts entered in (1), (2), (3), (4), and (5) on the CNP rate calculation page are the same as the amounts as on the Fiscal Year 2021 IDC Application - CNP rate calculation page 6A. Y N N/A

- 19. For systems whose negotiated CNP rate was 0.00% due to a negative rate for FY2021, is the amount entered in (7) the amount of the fixed carry forward cell C31 not to exceed the indirect cost amount in cell E15? Y N N/A
 For systems whose negotiated CNP rate was positive for FY2021, is the amount entered in (7) the full amount of the fixed carry forward cell C31? Y N N/A

- 20. Are the proposed CNP indirect cost rates for 2023 comparable to the approved rates for 2021? Please explain reason for rate change. Y N N/A
 Previous _____ Proposed New _____

Indirect Cost - Restricted Rate Application - Fiscal Year 2021 Data

- 21. Does the indirect cost expenditures on *page 8A - Trend Analysis - Restricted Unadjusted Indirect* for Fiscal Year 2019, 2020, and 2021 match the *Restricted Indirect Cost Rate Data- Unadjusted* for Fiscal Year 2019, 2020, and 2021 by line item? Y N N/A
 (The expenditures for all three years must be entered from the data report. Page 9 of the proposal will pull the indirect cost number from page 8A.)

REVIEW ITEM:**YES NO N/A**

- | | | | |
|--|---|---|-----|
| 22. Does the carryforward entered on <i>page 8A - Trend Analysis - Restricted Unadjusted Indirect</i> for Fiscal Year 2019, 2020, and 2021 match the carryforward listed on the <i>FY2021 and FY2022 Approved Indirect Cost Proposals</i> for Fiscal Year 2019, 2020, and 2021? | Y | N | N/A |
| 23. Does the direct cost expenditures on <i>page 8B - Trend Analysis - Restricted Unadjusted Direct</i> for Fiscal Year 2019, 2020, and 2021 match the <i>Restricted Indirect Cost Rate Data-Unadjusted</i> for Fiscal Year 2019, 2020, and 2021 by line item?
(The expenditures for all three years must be entered from the data report. Page 9 of the proposal will pull the direct cost number from page 8B.) | Y | N | N/A |
| 24. Does the "Proposed Pool and Base Amounts. . ." row balance back to the 2021 Restricted Indirect Cost Rate Data - Unadjusted report pulled from the upload system?
(The totals in each cost category must agree. The only manual entry on the "Proposed Pool and Base Amounts..." row will be the Excluded Costs Column. The other columns will manually pull from the <i>Trend Analysis</i>). | Y | N | N/A |
| 25. Federal Fund expenditures are not included in the restricted indirect cost pool. | Y | N | N/A |
| 26. Have the expenditures which would constitute supplanting (Expenditures Not Allowed - Column B on the report) been moved from the Indirect Costs column to the Expenditures Not Allowed column on the application? (Listed below are the most common). | Y | N | N/A |
| a. CSFO salary, benefits, and costs - Object Code 116 is automatically pulled out but the benefits and those LEA's that use a different object code for their CSFO will need to make a manual adjustment. This will need to include any Compensation for Unused Leave - Object Code 195 plus fringe benefits. | Y | N | N/A |
| b. The Technology Coordinator amount provided by the state in Fund Source 1221 is automatically pulled out. Any amount paid from other fund sources for the Technology Coordinator should remain where the coding dictates it be. | Y | N | N/A |
| c. The Superintendent and Executive staff salary, benefits, and costs - Account Code 62XX is automatically pulled out. Any expenditures charged to 62XX that are not supplanting would need to be manually moved to the appropriate cost pool (auditing, legal fees, etc.). | Y | N | N/A |
| d. Operations & Maintenance Services - Account Code 3XXX - is automatically pulled out. Any expenditures charged to 3XXX that are not supplanting would need to be manually moved to the appropriate cost pool. Documentation would include a space study showing what percentage of total work area space is dedicated to allowable areas such as accounting, purchasing, personnel, etc. | Y | N | N/A |
| e. Utilities - Object Codes 37x - are generally a direct cost for the restricted rate calculation. Utilities (object 37x) coded to function codes 1xxx, 2xxx, 4xxx and 61xx are automatically pulled to the direct column. Utilities (object 37x) coded to 3xxx and 62xx are automatically pulled to the not allowed column. Utilities (object 37x) coded to 63xx, 6410, 6420, 6430, 6450, 6490, 65xx, and 69xx will pull to the indirect column and verification is needed the expenditures are allowable indirect costs. | Y | N | N/A |

YES NO N/A**REVIEW ITEM:**

f. Compensation for Unused Leave - Object Code 195 - report automatically pulls object 195 to the direct column. An adjustment is needed to move the fringe benefits associated with object 195 to the direct column for fringe benefits pulled to indirect column	Y	N	N/A
g. Insurance Services - Object Code 395 - report automatically pulls object 395 to the direct column on restricted only. An adjustment is needed to move allowable indirect insurance expenditures from direct. NOTE - building/property insurance is not an allowable indirect expenditure for restricted due to supplement/supplant unless the LEA has a valid space study allocating space to approved indirect activities.	Y	N	N/A
i. Fines and Penalties against the LEA are usually coded to object 961 which automatically pulls to the excluded column. An adjustment is needed for any fines and penalties against the LEA which are not coded to object 961.	Y	N	N/A
27. Are the adjustments made on page 9 documented and are they in legal compliance with Title 2 CFR Part 200 (previously OMB A-87 Circular)?	Y	N	N/A
a. Auditing (object 323) paid from a general fund source is generally an allowable cost but is sometimes in excluded or disallowed because of the function code. Ensure eligible auditing costs are included in the indirect column. Single Audits - if the expenditure is allocated between both federal and local fund sources, the local fund source portion cannot be included in the indirect cost column.	Y	N	N/A
b. Legal expenditures (object 325) retainers and expenses required in administering Federal Programs are allowable. Costs for cases involving the Federal government and LEA Board of Education services are direct costs. Costs for services related to capital outlay should be excluded. Legal expenditures are automatically pulled to the direct column unless coded to an excluded function code or excluded fund source.	Y	N	N/A
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d. Adjustments have been made for expenditures made under the flexibility allowance that are not coded to Fund Type 11 but are allowable in the indirect cost pool. Please note the expenditure would have been coded to an account number/object code/fund source allowable in the indirect cost pool; however, the fund type kept the expenditure from pulling to the indirect cost column.	Y	N	N/A
e. LEA's receiving Foundation funds for State Supported Special Education Facilities (Cost Center 3999) should exclude these amounts if the transaction is handled as a flow through. LEA's handling the administrative duties themselves would leave the expenditures as distributed.	Y	N	N/A
28. Does the Adjusted Pool and Base Amounts row balance back to the approved 2021 Exhibit F-II? (The total expenditures must agree).	Y	N	N/A

