MEMORANDUM

TO: City and County Superintendents
FROM: Eric G. Mackey, State Superintendent of Education

SUBJECT: Indirect Cost Proposal for Fiscal Year 2022 (10/1/2021-9/30/2022)

February 1, 2021

The U. S. Department of Education, Office of the Chief Financial Officer, Indirect Cost Group, has delegated the responsibility of establishing Alabama's Local Education Agency (LEA) Indirect Cost Rates to the Alabama State Department of Education and has approved and accepted the methodology.

The forms and instructions for compiling your indirect cost proposal are located on our website at www.alsde.edu, click on Department Offices, Office of LEA Support, LEA Accounting, and Indirect Cost. The 2020 General Purpose Financial Statements (GPFS) must be approved before application for the 2022 Indirect Cost Rates can be made.

Fixed rates with adjustment for the difference in estimated (2018 adjusted GPFS) and actual recovery (2020 adjusted GPFS) are to be established on an annual basis. The 2022 rate calculation pages reflect carry-forward adjustments. Any negative rate calculations were negotiated as 0% for 2020. Any excess negative rate calculations will not be carried forward in the 2022 calculation.

The 2022 Indirect Cost Proposals should be submitted as soon as possible, but no later than March 1, 2021.

A copy of the approved application will be sent to you.

Questions may be directed to your system accountant at (334) 694-4617.

EGM/BK

cc: Chief School Financial Officers

FY21-3011