



STATE OF ALABAMA  
DEPARTMENT OF EDUCATION



Eric G. Mackey, Ed.D.  
State Superintendent of Education

February 3, 2020

**M E M O R A N D U M**

**TO:** City and County Superintendents

**FROM:** Eric G. Mackey *EGM*  
State Superintendent of Education

**SUBJECT:** Indirect Cost Proposal for Fiscal Year 2021 (10/1/2020-9/30/2021)

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](http://www.alsde.edu), click on Department Offices, Office of LEA Support, LEA Accounting, and Indirect Cost. The 2019 General Purpose Financial Statements (GPFS) must be approved before application for the 2021 Indirect Cost Rates can be made.

Fixed rates with adjustment for the difference in estimated (2017 adjusted GPFS) and actual recovery (2019 adjusted GPFS) are to be established on an annual basis. The 2021 rate calculation pages reflect carry-forward adjustments. Any negative rate calculations were negotiated as 0% for 2019. Any excess negative rate calculations will not be carried forward in the 2021 calculation.

The 2021 Indirect Cost Proposals should be submitted as soon as possible, **but no later than March 1, 2020.**

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  
FY20-3013

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