March 1, 2019

MEMORANDUM

TO: City and County Superintendents

FROM: Eric G. Mackey
State Superintendent of Education

SUBJECT: Indirect Cost Proposal for the Fiscal Year 2020 (10/1/2019-9/30/2020)

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 Financial Management, LEA Accounting, and Indirect Cost. The 2018 General Purpose Financial Statements (GPFS) must be approved before application for the 2020 Indirect Cost Rates can be made.

Fixed rates with adjustment for the difference in estimated (2016 adjusted GPFS) and actual recovery (2018 adjusted GPFS) are to be established on an annual basis. The 2020 rate calculation pages reflect carry-forward adjustments. Any negative rate calculations were negotiated at 0% for 2018. Any excess negative rate calculations will not be carried forward in the 2020 calculation.

The 2020 Indirect Cost Proposals should be submitted as soon as possible, but no later than April 1, 2019.

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
FY19-3011