

DRAFT

DISCLAIMER - The following items were noted as adjustments on the 2013 indirect cost proposals. These adjustments may not apply to your system's specific situation. The following list shows the correct placement of items. The exact adjustment depends on how the item is originally coded. This is not an all inclusive list. Detailed records are required to support any indirect costs attributed to function 3xxx-Operation & Maintenance Services, 61xx-Board of Education Services, and 62xx-Executive Administrative Services. These records should contain a detailed analysis of costs classified as indirect and should include a justification or explanation as well as other pertinent information. Please refer to OMB Title 2 CFR Part 225 as the system will fall under these parameters. An indirect cost rate is a means of determining the percentage of allowable **general administrative expense** that each federal grant should bear. **Administrative indirect costs consist of the salaries and expenses for people who are engaged in administrative activities from which the entire LEA benefits. Those activities that are limited to one school, subject, or phase of operation are not indirect costs.** Generally, an indirect cost rate is the ratio of total indirect costs to total direct costs, based on the LEA's actual expenditures, **exclusive of any extraordinary or distorting expenditures such as capital outlay, debt service, and major subcontracts. Extraordinary or Distorting Items are excluded when calculating the rate and the indirect cost reimbursement because the activities require minimal administrative support.** If you have questions, please contact your system accountant or consult the **FY2014 Alabama SDE Indirect Cost Proposals for LEA'S or Title 2 CFR 225 found on the State Web Site under LEA Accounting, Indirect Cost.**

	UNRESTRICTED				RESTRICTED			
	Excluded	Disallowed	Indirect	Direct	Excluded	Disallowed	Indirect	Direct
Accounting, Personnel Costs & Central Office (account 6220) - support							XXXXX	
Accounting Personnel Costs (6210/141/6001)							XXXXX	
Auditing Fees			XXXXX				XXXXX	
Advertising-associated with debt, capital outlay, bonds, construction	XXXXX				XXXXXX			
Advertising-associated with self-promotion				XXXXX				XXXXX
Advertising - associated with federal grants			XXXXXX				XXXXXX	
Advertising (football/track ads)				XXXXXXXX				XXXXXXXX
Auditing pertaining to a capital project (Leeds City)	XXXXX				XXXXX			
Ads for financials, school registrations			XXXXXX				XXXXXXXX	
Advertising - construction and bids	XXXXX				XXXXX			
Arbitrator Fees (6290/325/2901)	XXXXX				XXXXX			
Advertising for Sub Bus Drivers			XXXX				XXXXX	
Advertising for Surplus Sale			XXXX				XXXXX	
Building Insurance (only if the system has a space study to identify the costs associated with those functions that qualify as indirect cost)			XXXXXX				XXXXXXXX	
CSFO Salary & Benefits			XXXXX			XXXXX		
Central Office postage and supplies			XXXXX				XXXXX	
CSFO Travel Supplement and Benefits			XXXXX			XXXXXX		
CSFO Bond			XXXXXX			XXXXXX		
Community Center Rentals (6910/340)				XXXXX				XXXXX

Data Processing Services			XXXX				XXXXX	
Flow Thru - State Supported Facilities	XXXXX						XXXXX	
HIPPY Flow Through	XXXXX						XXXXXX	
Legal Retainer Fees			XXXXX					XXXXX
Legal Fees administering federal programs (does not include lawsuits/settlements/wrong-doing)			XXXXX					XXXXX
Legal Fees - Settlements/Contingencies/Wrong Doing	XXXXX						XXXXXX	
McAlear Maintenance Agreement			XXXXXX					XXXXXXXX
Operation & Maintenance coded to Fund 14 - FLEX			XXXXX				XXXXX	
Payroll bookkeeper salary and benefits			XXXXXX					XXXXXX
Printing and binding			XXXXXX					XXXXXXXX
Technology Coordinator			XXXXXX				XXXXXXX	
footnote - verify CSFO benefits adjustment totals are in line (i.e. a year of insurance, ss, Medicare)								
footnote-a system may have an adjustment because of incorrectly coding an expenditure								
Footnote - Flow through only if the system sends the money directly to the organization and does not handle any of the payroll, personnel, or purchase orders.								
Footnote - if these items are not automatically pulling into the above referenced column, then an adjustment needs to be made								
Footnote - verify account coding, if charged to 1100, systemwide storage services wouldn't appear to be an administrative expense								
Footnote - Flex items that are coded to fund 14 if paid from fund source 2120 or 1320 if the account coding and fund source would be adjusted to where it normally would pull.								
Footnote - legal fees for settlements are excluded, other issues are direct, not all legal issues are the same, are on a case by case basis								
Footnote - Indirect Cost is a reimbursement basis. Basically, you are allowed to be reimbursed for those expenses associated with the federal grants that are too hard to directly charge.								