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September 2021

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ONONDAGA-CORTLAND-MADISON BOCES  
PO BOX 4754  
SYRACUSE, NY 13211 -

Dear Chief Administrative Officer:

The State Education Department has calculated indirect cost rates for the 2021-2022 program year in accordance with the regulations found in United States Education Department General Administrative Regulations (EDGAR) 34 CFR parts 75.560-75.564 and 76.560-76.569, 2 CFR 200 and United States Department of Education guidance.

Federal regulations require the use of restricted indirect cost rates for grant programs that prohibit supplanting. The rates for your agency are as follows:

Restricted Rate 1%

Unrestricted Rate 5.3%

Consistent with Department policy, the restricted rates will be used for all categorical grant programs allowing indirect costs. Program specific requirements may further limit indirect cost recovery. The unrestricted rate is used for school food service programs and certain direct funded Federal programs.

These rates are established for a **one**-year period for 2021-22. Using the data submitted by your agency on its SA-111 Annual Financial Report for the School Year Ending June 30, 2020, the new rates were calculated according to the methodology approved by the US Department of Education - Indirect Cost Group.

Costs considered to be indirect for purposes of calculating your restricted rate are limited to the following SA-111 account codes:

- 1310.000 Central Support
- 1480.000 Planning
- 1490.000 Other Activities
- 9500.920 Transfer to Other Funds
- 9500.950 Transfer Charges from Operation and Maintenance of Plant
- 9500.960 Transfer Charges from Other Service Program

(OVER)

The maximum dollar amount of indirect costs allowable under a grant can be determined by multiplying the restricted indirect cost rate by the modified total direct cost base (MTDC) of the grant. MTDC is computed as total direct costs less equipment, alterations and renovations, the portion of each subcontract exceeding \$25,000 and any flow through funds.

Types of costs that are not treated as indirect in calculating your rate may be allowable direct charges in grant programs, subject to the approval of New York State Education Department program managers. To be approvable, such costs must be:

- Allowable per program specific regulation and policy
- Reasonable and necessary
- Allocable. Grantees must maintain documentation or methodologies that demonstrate that the costs were incurred for grant purposes.
- Supplementary. Costs are considered to supplement and not supplant local effort, if such costs would not be incurred in the absence of the grant funds.

If you have any questions regarding the use of your indirect cost rates, please contact Grants Finance at (518) 474-4815. Your agency is encouraged to visit the Grants Finance website at <http://www.oms.nysed.gov/cafe/> for the most updated information and guidance regarding indirect costs and other fiscally related information.

Sincerely,

*William Keane*

William Keane  
Assistant Director of  
Financial Administration