

WYOCSP | Wyoming Community Services Program

Dated: February 2019
To: Community Services Block Grant (CSBG) Grantees and Sub-grantees
From: Regina Dodson, Wyoming Department of Health, Public Health Division
Community Services Program Manager
Reference: CSBG Policy 7: Indirect Cost Rate

POLICY #7

CSBG Grantees and/or its sub-grantees that administer a multitude of programs funded by Federal, State, and local agencies, in accordance with Information Memorandum (IM) 20, are highly encouraged to establish an indirect cost rate for their programs. An indirect cost rate provides systematic and accurate charges and results in an equitable distribution of indirect costs.

According to the Uniform Guidance, indirect costs are those that benefit all programs administered by the Grantee, and are not readily assignable to a particular final cost within a program (IM 20). These costs are necessary and beneficial to all programs, such as central management and administrative functions. These costs include but are not limited to: Salaries and wages relating to the Executive Director, accountants; Operational costs such as rent, liability insurance, utilities; Organization wide single audits.

Under the Uniform Guidance, the State CSP office will recognize a Grantee's approved federally negotiated indirect cost rate (NICR). If a Grantee does not have a federal NICR, or CSP does not have adequate and proper documentation of such, they shall use the de minimis rate of 10% of modified total direct costs. Costs must be charged as either indirect or direct costs, but may not be double or inconsistently charged as both. If the Grantee chooses to use the de minimis rate of 10%, they must use this rate for all Federal awards in accordance to 45 C.F.R. § 75.414. The Grantee can at any time choose to apply for an NICR through the Department of Health and Human Services, which will then be applicable for the next fiscal year.

According to CSBG Information Memorandum (IM) 20, indirect costs are defined as:

- a.) Those that have been incurred for common objectives benefitting all programs and cannot be readily identified or assignable to a particular final cost in a program. Indirect costs relate to central management and administered by the grantee organization.

b.) Salaries and wages related to the:

- Executive Director of the organization
- Deputy Director (or similar positions)
- Controllers, accountants, bookkeepers
- Business manager
- Secretarial positions to above personnel
- Personnel Management

c.) Fringe benefits associated with above personnel:

- Pension
- Hospitalization
- Life Insurance
- Unemployment

d.) Operations and maintenance costs (common costs) allocable in part to central management and administrative functions such as:

- Rent
- Utilities
- General repair and maintenance
- Liability Insurance
- General office supplies, postage, telephone

e.) General legal costs

f.) Organization wide single audits (financial and compliance)

g.) Travel related to central management and administrative functions