



**Independent Accountants' Report on the
Application of Agreed-Upon Procedures on Indirect Cost Rates
Proposed by Sabre Foundation, Inc.**

The Department of State, Office of Inspector General contracted with L.F. Harris & Associates, CPAs, P.A., to perform agreed-upon procedures to determine whether Sabre Foundation, Inc.'s proposed indirect cost rates for the years ended December 31, 2003, 2004, and 2005, complied with applicable regulations. The independent accountants found the Foundation's accounting system to be adequate for accumulating and reporting indirect costs under the provisions of Office of Management and Budget Circulars A-122, *Cost Principles for Non-Profit Organizations*, and A-110, *Uniform Administrative Requirements for Grants and Agreements With Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations*. However, the independent accountants took exception to the rates proposed by the Foundation for the years ended December 31, 2005, 2004, and 2003, and recommended that the Department accept and finalize the Foundation's indirect cost rates for these years based on the recommended rates included in the report.

The work for OIG Report AUD/CG-07-24 was conducted by L.F. Harris & Associates, CPA, P.A. This is an unclassified summary of a full report, which may receive limited official distribution.

Office of Inspector General

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