



Review of the Center for Cultural and Technical Interchange Between East and West, Inc.'s, Indirect Cost Rates for Fiscal Years 1999 through 2005

In coordination with the Department of State (Department), Bureau of Administration, Office of Logistics Management, Office of Acquisitions Management, (A/LM/AQM), the Office of Inspector General (OIG) conducted a review of the Center for Cultural and Technical Interchange Between East and West, Inc.'s, (East-West Center) indirect cost rates for fiscal years ending September 30, 1999 through 2005. OIG's objective was to provide recommended final rates for those seven years for reimbursing costs incurred under awards made to East West Center by the Department.

OIG found that the indirect cost rates reported by East-West Center in its annual audit reports for the stated periods complied with applicable regulations. Moreover, tracing components of the indirect cost rates to the audited financial statements did not disclose any matters that significantly affected the indirect cost rates. OIG recommended that A/LM/AQM use the recommended rates in finalizing the East-West Center's indirect cost rates for the fiscal years ended September 30, 1999 through September 30, 2005, inclusive.

Under Office of Management and Budget Circular A-122, *Cost Principles for Non-Profit Organizations*, the East-West Center is required to submit indirect cost rate proposals to the Department within six months after the close of each East-West Center fiscal year. For fiscal years 1999 through 2005, inclusive, the East-West Center did not submit final indirect cost proposal packages in accordance with the circular. OIG recommended that A/LM/AQM require the East-West Center to submit indirect cost rate proposals to the Department within six months after the close of each East-West Center fiscal year.

The work for OIG Report AUD/CG-07-15 was conducted by the Office of Audits from August 14 to August 29, 2006. This is an unclassified summary of a full report, which may receive limited official distribution.

Office of Inspector General

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