



**Independent Accountants' Report
on the Application of Agreed-Upon Procedures
on Indirect Cost Rates Proposed by
U.S. Civilian Research and Development Foundation**

The Department of State, Office of Inspector General contracted with Regis & Associates, PC, Certified Public Accountants, to perform agreed-upon procedures to determine whether the U.S. Civilian Research and Development Foundation's proposed indirect cost rates for the year ended December 31, 2004, 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*. The review disclosed that for the year ended December 31, 2004, the indirect cost rates reported by the Foundation were properly calculated, and recommended that the Department accept and finalize these rates as submitted by the Foundation.

The work for OIG Report AUD/CG-07-22 was conducted by Regis & Associates PC, Certified Public Accountants. This is an unclassified summary of a full report, which may receive limited official distribution.

Office of Inspector General

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