



**U.S. Department of Justice**

Office of Justice Programs

*Office of the Chief Financial Officer*

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*Washington, DC 20531*

**INDIRECT COST INFORMATION**

Attached is information pertaining to the preparation of an Indirect Cost Allocation Plan.

Before an organization submits the Indirect Cost Allocation Plan, it should:

1. Determine which Federal agency is responsible for negotiating indirect cost rates by assessing the direct Federal dollars received during the year. The Federal agency with the preponderance of Federal funding is responsible for negotiating overhead rates.
2. Submit an Indirect Cost Proposal to the Federal cognizant agency. After receipt and review of this documentation, a provisional rate will be established.

Six months after the close of the fiscal year, the provisional rate must be finalized and a new provisional rate established. The organization is required to submit an Indirect Cost Allocation Plan based on the prior year's actual experience which will support the final rate request. In support of this data, the organization should submit the appropriate financial report and the indirect cost proposal to:

Office of Justice Programs  
Office of the Chief Financial Officer  
Attention: GFMD/Indirect Cost  
810 Seventh Street, NW.  
Washington, DC 20531

Note: If using FedEx, the ZIP code should be 20001.

A copy of this audit report should be forwarded to the:

Federal Audit Clearinghouse  
Bureau of Census  
1201 E. 10th Street  
Jeffersonville, IN 47132

Audits of nonprofit organizations must be in compliance with Federal auditing and reporting standards set forth in the: (1) *Government Auditing Standards*, 2007 Revision and (2) Office of Management and Budget (OMB) Circular A-133. These two documents can be found at:

1. <http://www.gao.gov/govaud/ybk01.htm>
2. <http://www.whitehouse.gov/omb/circulars/a133/a133.html>

Government agencies wishing to submit an indirect cost should visit <http://rates.psc.gov/fms/dca/s&l1.html> for guidance.

Nonprofit organizations wishing to submit an indirect proposal should visit <http://rates.psc.gov/fms/dca/np1.html> for guidance.

Sincerely,

Marcia K. Paull  
Chief Financial Officer