

Understanding your:
Fixed With Carry Forward Indirect Cost Rates
For Use in FY 2013-14, Based on FY 2011-12 ADE data

An Indirect Cost Rate is produced for use in FY2013-14 by looking at the ADE data submitted for FY11-12. Specifically, what was reported as the direct and indirect costs of grants, and then comparing that actual ADE data to the Indirect Cost Rate that was produced for use in FY11-12 (based on FY09-10 ADE data). The calculation compares what you were able to use as an Indirect Cost Rate in FY11-12, and compares that rate to what you actually reported as Indirect Costs in your FY11-12 ADE data.

1. Direct and Indirect Costs you reported in FY09-10, which drove the Indirect Cost Rate for use in FY11-12. This is ADE data you provided.

Direct = _____ (a)

Indirect = _____ (b)

2. The Restricted Rate produced for use in FY11-12 based on this ADE data was:

_____ (c)

3. Now look at the actual Direct and Indirect costs reported in the FY11-12 ADE data.

Direct = _____ (d)

Indirect = _____ (e)

The Carry Forward Figure from your FY09-10 Data used in conjunction with FY2011-12 ADE is:

_____ (f)

_____ (e) + _____ (f) = _____ (g)

The result (g) is what you ***should have*** recovered as Actual Indirect Costs in FY11-12

4. Take the Actual Direct Costs you reported for FY11-12 (d) and multiply by the Restricted Rate used in FY11-12 (c),

_____ (d) x _____ (c) = _____ (h)

5. The result (h) is called the “Carry Forward”. You reduce what you “should have recovered” as indirect costs in FY11-12 (g) by the carry forward figure (h)

$$\text{_____ (g) - _____ (h) = _____ (i)}$$

6. If the difference (i) is a negative dollar amount, you have an “Over Recovery” to be used in the Fixed with Carry Forward Calculation, because it is more than what was actually reported for Indirect Costs in FY11-12 (e). The assumption is that the District recovered more than what the actual Indirect Costs were. In this scenario, expect to see the Indirect Cost Rate decrease.
7. If the difference (i) is a positive dollar amount, you have an “Under Recovery” to be used in the Fixed with Carry Forward Calculation, because it is less than what was actually reported for Indirect Costs in FY11-12 (e). The assumption is that the District recovered less than what the actual Indirect Costs were. In this scenario, expect to see the Indirect Cost Rate increase.

8. Add the Under or Over Recovery figure (i), to the Indirect Costs reported in FY11-12

$$\text{_____ (i) + _____ (e) = _____ (j)}$$

9. Divide the Adjusted Indirect Cost figure (j) by the Direct Costs you reported in FY11-12 (d)

$$\text{_____ (j) / _____ (d) = _____ (k)}$$

10. Multiply (k) by 100 and carry to two decimal places. (k) is your Fixed with Carry Forward Indirect Cost Rate for use in FY13-14

$$\text{_____ (k) x 100 = _____ \%}$$

Truncate (round up): _____ %