**Board Memo**

**DATE:** 5/12/2022

**AGENDA ITEM DETAILS:**

**School/Department**

Finance

**Product Vendor or Grant Issuer**

N/A

**Product or Grant Name**

Indirect Cost Rates for the 2022-23 Fiscal Year

**Date/Term (Beginning and End Dates/Year)**

Fiscal year 2022-23

**APPLICABLE BOARD POLICY:**

Click or tap here to enter text.

**DESCRIBE USE OF CONTRACT/PURCHASE/AGREEMENT**

Restricted and Non-Restricted Indirect Cost rates for the 2022-23fiscal year have been submitted to the Kentucky Department of Education. The rates calculated for Boone County Schools are:

Non-restricted 13.49% (utilized for Food Service Operation)

Restricted 3.81% (utilized for other Federal Grants)

The method used to calculate indirect costs is referred to as the “predetermined” method, which requires a 10% reduction in the rate to allow for changes and fluctuations from year to year. The calculation is performed using numbers reflected in the district’s Annual Financial Report from two years prior.

There are certain limitations on recovery of indirect costs:

1. Federal law may limit the amount of indirect costs, which may be recovered. For example, the maximum indirect cost allowable by law for a particular program may be less than the amount allowable under 2 CFR 200. Some grants may prohibit any recovery of indirect costs.
2. Recovery of indirect costs is subject to availability of funds. If a combination of direct and indirect costs exceeds funds available, then the LEA will not be able to recover the total cost of the project or programs.
3. Indirect costs may be recovered only to the extent that direct costs were incurred.

**FUNDING FOR PURCHASES AND OTHER REQUESTS:**

**Total Cost**

Click or tap here to enter text.

**Funding Source**

Click or tap here to enter text.

 **\*If more than one funding source, list below along with amount or percent for each source**

Click or tap here to enter text.

**IF THIS IS A GRANT, ENTER AMOUNT TO BE AWARDED:**

Click or tap here to enter text.

**RECOMMENDATION:**

I recommend the Board approve the recovery of Indirect Cost in accordance with established guidelines, as presented.

**CONTACT PERSON: (submitter)**

Linda Schild SFO, Director Finance