



Fayette County Public Schools

Executive Summary Fayette County Public Schools Board Meeting Agenda Item

MEETING: Planning

DATE: 7/06/2026

TOPIC: Indirect Cost Rate Approval

PREPARED BY: Amy M. Smith

Recommended Action on: 7/20/2026
Action Item for Vote (REGULAR MEETING)

Superintendent Prior Approval: Yes

Recommendation/Motion: Request approval of FY 2026-2027 Indirect Cost

Background/Rationale: This is to inform the Board of the restricted and non-restricted indirect cost calculations adopted and approved by the Kentucky Department of Education of 7.31% and 18.23% respectively effective July 1, 2026. Indirect costs are expenditures in support of a program that are not directly identifiable to that program. The Federal government allows entities to be reimbursed for a portion of support expenditures incurred with relation to Federal programs. The Kentucky Department of Education calculates two different rates for indirect costs - restricted and non-restricted. Restricted rates may be applied to federal grants that exclude expenses for district administrative support and allow non-restricted rates that may be applied against district food service programs. The U.S. Department of Education requires the Kentucky Department of Education to have the approved indirect cost rates for school districts.

Strategic Priority:

- ☐ Student Achievement ☐ Diversity, Equity, Inclusion & Belonging
- ☐ Highly Effective, Culturally Responsive Workforce
- ☐ Stakeholder Engagement & Outreach ☒ Organizational Health & Efficiency

Data Considerations: Budgeted General Fund Revenues for Indirect Cost

Policy: 01.11 General Powers and Duties of the Board

Fiscal Impact: General Fund Revenues for supporting Federal Grants

Attachments(s): Indirect Cost Report