



## C. Indirect Cost Rate Proposal Checklist – Non-profit and Commercial Organizations<sup>1</sup>

### Indirect Cost Proposal Checklist<sup>1</sup> Non-Profits and Commercial Organizations

1. Submit once unless changes are observed:
  - \_\_\_\_\_ 1a. Organizational chart,
  - \_\_\_\_\_ 1b. Nonprofits - Narrative explaining compliance with 2 CFR §200.430(a)(1)(2) & (3) and the standards for documentation of personnel expenses. Commercial - Narrative explaining the standards for documentation of personnel expenses in compliance with FAR 9.106-4 and SF-1408. For both entities, an example of an employee time record for a pay period, providing for distribution of hours to direct/indirect functions.
  - \_\_\_\_\_ 1c. Signed Cost Policy Statement.
2. An indirect cost rate proposal(s) providing the following:
  - \_\_\_\_\_ 2a. Personnel Costs Worksheet, including fringe benefits breakdown.
  - \_\_\_\_\_ 2b. Allocation of Personnel Worksheet, providing indirect/direct time charges.
  - \_\_\_\_\_ 2c. Fringe Benefits Worksheet,
  - \_\_\_\_\_ 2d. Statement of Total Costs, supporting the indirect and direct costs incurred by expense category, identified by Federal agency, specific government grant, contract, and other non-government activities.
  - \_\_\_\_\_ 2e. Statement of indirect Costs, including indirect cost pool(s), allocation base(s), and indirect cost rate(s) proposed.
3. \_\_\_\_\_ Audited financial statements, if available. If audited financial statements are not available, IRS Form 990 (non-profits) or compilation/review financial statements (for-profits) for the final rate proposal. Approved budget for provisional proposal, if needed. Note: The Statement of Total Costs (2d. above) must reconcile to Financial Statements. If not, please provide a reconciliation statement.
4. \_\_\_\_\_ Certification that the indirect cost rate proposal was prepared in a manner consistent with the applicable cost principles set forth in 2 CFR Part 200, Subpart E & Appendix IV for non-profits, or the Federal Acquisition Regulation (Part 31) for commercial organizations. The certifications should be signed by the President/Executive Director, or Comptroller/ CFO.
5. \_\_\_\_\_ A listing of grants and contracts by Federal agency, subagency, program office funding source, award amount, period of performance, and the indirect cost (overhead) limitations (if any) applicable to each, such as, ceiling rates or amounts restricted by administrative or statutory regulations, applicable to the period(s) of the proposal(s). This listing must be supported with copies of the approved federal grants or contracts notification awards (1" page).

**Note:** For organizations receiving funding from DOL's Employment and Training Administration (ETA), please ensure that the proposed individual compensation (salary and bonus) complies with the salary limitations established in ETA's TEGL 5-06. This document can be accessed in ETA's website: <http://wdr.doleta.gov/directives/attach/TEGL/TEGL05-06.pdf>. The Office of Job Corps has similar salary limitations. Two additional proposal worksheets (see 2b. and 2d above) may be needed to show ETA and/or Job Corps rates reflecting unallowable compensation and prorated amounts. If you have any questions, contact DCD.

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<sup>1</sup> Refer to Section III of this guide to obtain examples of indirect cost proposal exhibits, employee timesheet, certification and cost policy statement.