C. Indirect Cost Rate Proposal Checklist – Non-profit and Commercial Organizations

Indirect Cost Proposal Checklist
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.

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