



Instructions for Obtaining a Federally Negotiated Indirect Cost Rate

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Indirect costs are organization costs that have been incurred for common or joint objectives necessary to operate the organization and its programs and that are not readily identifiable with a particular project or program. The most common indirect costs include salaries and expenses of executive officers, administrative and accounting staff, depreciation, and the cost to operate and maintain facilities. Organizations that expend Federal funds and allocate and claim indirect costs must negotiate an indirect cost rate with their cognizant Federal Agency. The cognizant Federal agency is generally the agency that provides the largest amount of direct Federal funds to the organization. When the cognizant agency approves an indirect cost rate, the rate is accepted by other federal agencies to determine the amount of indirect costs that apply to their grants.

It is the grantee's responsibility to obtain a final negotiated rate for each year indirect costs are claimed. When you receive the award, you have 90 days from the award date to submit an indirect cost rate proposal. We do not negotiate indirect cost rates with sub-awardees. Sub-awardees negotiate their rates with their primary award recipients.

The Corporation for National and Community Service (CNCS) uses the services of the Division of Cost Allocation (DCA) at the Department of Health and Human Services (DHHS) to negotiate and establish indirect cost rates with its grantees. Grantees must request an indirect cost rate by preparing an indirect cost proposal following guidance from the DHHS DCA at:

<http://rates.psc.gov>

Steps once you are on the HHS website

1. At the main menu, select: Applicable cost principles, admin requirements, and related documents. Select your organization type (e.g. non-profit organization) and read the Cost principles section.
2. At the main menu, select Submission Requirements. Then select your organization type to see a sample proposal, list of required documents and frequently asked questions.

Submit your proposal to the CNCS (if CNCS is your cognizant agency)

When you have completed your proposal pdf the documents and attach in an email to:

IndirectCostRate@cns.gov

CNCS Audit Resolution Specialist, Ms. Karen Gandolfo will review your proposal submission and attachments to ensure completeness and then will email your proposal documents to DHHS with the CNCS's approval to commence your proposal review and negotiate a rate on behalf of CNCS.

If you have questions about the status of your review please contact DHHS directly. You can obtain your point of contact from the DHHS website or from your prior year rate letter. For questions on the process of how to obtain your indirect cost rate you may contact Ms. Karen Gandolfo at 202.606.3907.