

ONR SUBMISSION REQUIREMENTS FOR NONPROFIT INDIRECT COST RATE PROPOSALS - INITIAL

CHECKLIST

1. **Transmittal Letter:** State the type of rate requested (e.g. predetermined, fixed, provisional, or final) and the applicable fiscal year(s).
2. **Format Documentation:** 2 CFR 230 does not have standard format requirements for indirect cost proposals.
 - a. If your nonprofit organization receives less than \$10M of direct federal funding annually, please prepare your rate proposal using ONR's guidance for Nonprofit entities receiving less than \$10M of direct federal funding (pdf download).
 - b. If your nonprofit organization receives greater than \$10M of direct federal funding, annually, ONR suggests using DHHS's guidance for submitting Nonprofit Indirect Cost Rate proposals, which may be downloaded at http://rates.psc.gov/fms/dca/np_exall2.html
 - c. If your nonprofit is subject to all Cost Accounting Standards (CAS 4XX) as a result of receiving a full CAS covered contract (CAS covered contracts, including options of \$50M or more require compliance with all CAS standards), ONR advised that you review the Defense Contract Audit Agency's (DCAA) Forward Pricing and Incurred Cost Submission guidance at their website <http://www.dcaa.mil>
3. **Statement of Major Activities** – such as Research grants/contracts, fundraising, members services, lobbying, etc.
4. **Statement of General Accounting Policies** - such as, basis of accounting (accrual or cash basis); fiscal year end; method of allocating indirect costs and allocation base for the indirect cost rate, etc.
5. **Statement of Accounting Practices and Policies** - The primary purpose of this statement is to establish an understanding between a grantee and the Federal Government as to what costs will be charged directly and what costs will be charged indirectly. It also provides grantee personnel with such information in the event of personnel changes. Include in this statement the following information:
 - For each account/cost element (e.g., labor, fringe benefits, travel, supplies, etc.) indicate whether this cost is direct or indirect. For those accounts/cost elements related to activities that are sometimes charged direct and sometimes charged indirect, indicate the circumstances under which the determination is made.

- For each account/cost element which is charged to more than one activity (such as those described in paragraph A above), describe the method used to allocate the costs (such as actual usage, square feet, etc).
 - Description regarding the treatment of unallowable costs – What methods/controls do you have in place to assure unallowable costs are not charged to Federal awards.
 - Statement of the treatment of compensated leave costs (vacation, holiday, sick leave, etc).
 - Statement of how fringe benefits are charged (e.g. actual basis by employee, via a fringe benefit rate, etc.)
 - Identify any accounting practices which have changed since the last indirect cost proposal, if applicable.
6. **Memoranda of Understanding:** Identification of any Memoranda of Understanding or advance agreements upon which the proposed rates are based.
 7. **Certificates of Indirect Cost:** Completed certificates of indirect costs as required by FAR 52.242-4 (January 1997). See Example in Attachment (1) to this Checklist. This certificate is required only if you have been awarded procurement contracts that are either active or inactive during the applicable fiscal year for which your rate proposal encompasses.
 8. **Other Required Certifications & Statements of Assurance** – Institutions must complete and submit with their proposal Attachment (2) to this Checklist.
 9. **Funding Profile:** Provide a list of the federal agencies that provide more than 10% of your annual research funding.
 10. **Listing of Federal Awards:** A listing of directly awarded and pass through grants and contracts by Federal agency, total dollar amount, period of performance, and the indirect cost limitations (if any) applicable to each, such as, ceiling rates or amounts restricted by administrative or statutory regulations.
 11. **Single Audit:** Include a copy of the A-133 Single Audit for your base year, if applicable.
 12. **Unusual Factors:** Any explanation of new or unusual factors which affect the proposed rates.
 13. **Future Year Cost Projections** – You rate proposal may include estimated cost impacts to facility components for anticipated changes in research facilities, except for incurred cost rate proposals which are based on actual costs. Cost estimates

must be well documented and separately identified from the base year data. Cost estimates for multiple changes (i.e. 2 new research buildings) must be separately estimated. Cost estimates should consider all potential aspects of expanding and contracting research related facilities (i.e. changes to space, changes to the rate distribution base dollars, etc.).

(Institution Name)
Certificate of Final Indirect Costs (January 1997)
(FAR 52.242-4)

This is to certify that I have reviewed this proposal to establish final indirect cost rates and to the best of my knowledge and belief:

1. All costs included in this proposal (**identify proposal and date**) to establish final indirect cost rates for (**identify period covered by rate(s)**) are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final indirect cost rates will apply, and
2. This proposal does not include any costs, which are unallowable under applicable cost principles of the FAR or its supplements.

Institution

Name of Official

Signature

Title*

Date of Execution

* Certification must be at a level no lower than a vice president or chief financial officer of the business segment

(Organization Name)
Additional Certifications and Assurances

This is to certify that I have reviewed the (insert Organization name) Indirect Cost Rate Proposal dated (insert date of proposal) to establish indirect cost rate(s) for the period (insert month/day/year) through (insert month/day/year) and attest to the following:

Certificate of Lobbying (2 CFR Part 230 Appendix B, Section J.25.c.(2))

To the best of my knowledge and belief, the subject proposal complies with the requirements and standards of 2 CFR Part 230 Appendix B, Section J.25.c.(2) Lobbying, in that any organizational costs associated with activities defined as lobbying have been treated as other unallowable activity as required by this section.

Statement of Assurance re: Charges for Depreciation or Use Allowance (2 CFR Part 230 Appendix B, Section J.11.h)

To the best of my knowledge and belief, the use allowance and depreciation included in the subject proposal is supported by adequate property records and physical inventories taken at least once every two years to ensure that the assets exist and are usable, used, and needed.

Statement of Assurance re: Executive Compensation limitations

To the best of my knowledge and belief, the (insert Organization name) is in compliance with any applicable limitations on individual compensation charged to federal awards.

Institution

Name of Official

Signature

Title

Date of Execution