



June 27, 2023

Dear CESA Administrator:

***Purpose of Indirect Cost Rates***

The U.S. Office of Management and Budget published Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (referred to as the Uniform Grants Guidance). It requires local government agencies to establish an approved indirect cost allocation plan and rate to recover indirect costs related to federal grants and contracts. Each state department of education must have a local education agency (LEA) indirect cost rate plan approved by its federal cognizant agency to assure that LEAs have the capability to claim indirect costs in federally assisted programs if the LEA elects to do so. The LEA indirect cost plan for the period July 1, 2017 through June 30, 2022 has been extended by the U.S. Department of Education through June 30, 2024. The current plan is available for printing on our DPI internet website at: <https://dpi.wi.gov/sfs/aid/federal/indirect-costs>. Your CESA has the option to choose either indirect cost reimbursement or direct cost reimbursement on federally assisted grant programs. Therefore, the assignment of an indirect cost rate for your CESA does not require that you apply it against your grant claims.

***Indirect Cost Rate Computation for 2023-24***

The unadjusted indirect cost rate computation for the year ended June 30, 2024 has been prepared from data taken from the 2021-22 annual report submitted to our department. The calculated rates for all LEAs are available for printing on our DPI website at: <https://dpi.wi.gov/sms/fedaids/indirect-costs>. The rate computation using the fixed rate with carry-forward method has also been posted on our website for all LEAs. Data from 2021-22 and prior year annual reports are used to compute this rate. The indirect cost plan indicates which expenditure accounts are considered direct costs, restricted indirect costs, and unrestricted indirect costs for the purpose of calculating indirect cost rates.

Please contact [indirectcost@dpi.wi.gov](mailto:indirectcost@dpi.wi.gov) with any questions.

Sincerely,

*Angeline Gaster*

Angeline Gaster, Assistant Director  
School Financial Services Team

AG/ob