IDEA Indirect Cost Claiming

Under 34 C.F.R. §76.560, local educational agencies (LEAs) are allowed to claim a portion of their IDEA grants to cover operational or "indirect" costs that are generated by all programs, not just special education.

This is accomplished by first establishing an indirect rate (that covers all of federal education programs) with the School Financial Services Team, Department of Public Instruction. Most LEAs have established an indirect rate and those rates are published here: http://www.dpi.wi.gov/sfs/indirect.html

Once the rate has been determined, LEAs have the option of budgeting and claiming for indirect costs through the IDEA budget software.

Because funds received through IDEA flow-through and preschool indirect cost recovery are for all programs, not just special education, LEAs need to account for a transfer of revenue from fund 27 to fund 10 in the following manner:

Record Indirect Revenue Received from DPI

Fund	Type	Object/Source	Function	Debit	Credit
27	B		711100	$XX.XX	
27	R	730			$XX.XX

Record Indirect Expense

Fund	Type	Object/Source	Function	Project	Debit	Credit
27	E	810	418000	34X	$XX.XX	
27	B		711100			$XX.XX
10	B		711100		$XX.XX	
10	R	127	418000			$XX.XX

IDEA's Coordinated Early Intervening Services (CEIS) expenditures and revenue are coded to fund 10, so any indirect claimed for this project would not need to be transferred into another fund.