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GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

MICHAEL P. FLANAGAN
SUPERINTENDENT OF
PUBLIC INSTRUCTION

April 21, 2011

MEMORANDUM

TO: Local and Intermediate School District Superintendents and
Public School Academy Directors

FROM: Carol Wolenberg, Deputy Superintendent *Cawl*

SUBJECT: Indirect Cost Rates

The Michigan Department of Education is pleased to announce that current indirect cost rate information is now available at:

http://www.michigan.gov/mde/0,1607,7-140-6530_6605-118785--,00.html .

The new rate information includes Special Education rates for 2010-2011 and preliminary rate information for 2011-2012. Form R0418a, *Costs for the Development of 2011-2012 Federal Indirect Cost Rates* details the cost data used to calculate preliminary indirect cost rates. Form R0418, *Carryforward Calculation for 2011-2012 Federal Indirect Cost Rates* shows the results of the preliminary calculation. Form DS-4513, *Indirect Cost Rate Adjustments*, is used to adjust and improve the data on the R0418a so the rate accurately represents the operations of the district. These forms are the starting point for the annual establishment of indirect cost rates to provide a mechanism for recovery of central administration costs as allowed by the United States Department of Education. The use of an indirect cost rate may also be allowed for state grants and grants from other federal agencies.

Note the due date for Form DS-4513 is June 1, 2011. This due date is critical. As the Department continues to facilitate the grant application process through the Michigan Electronic Grants System (MEGS), it is increasingly more important to have the indirect cost rates available on a timely basis. Your cooperation in this regard is appreciated.

When preparing the DS-4513, please remember to request exclusion for the amount in excess of \$25,000 for any individual contract that exceeds \$25,000 paid out of any funds classified as direct cost. Most districts that have been contracting for food service have not been requesting this exclusion, which could significantly increase rates.

If you have any questions or comments, please contact Phil Boone at (517) 335-4059 or by email at boonep2@michigan.gov.

cc: Michigan Education Alliance

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