

ONR SUBMISSION REQUIREMENTS FOR NONPROFIT INDIRECT COST RATE PROPOSALS - RENEWAL

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 Part 200, Appendix IV 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 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 advises 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, member 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. In addition, include a statement indicating whether any changes have been made to your accounting practices and policies since your last proposal.
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 – provide methods/controls that 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. **Prior Year Carry-forwards:** A summary of unliquidated prior year carry-forward amounts (if applicable).

8. **Required Certifications and Statement of Assurances:**

A proposal is not considered adequate unless it includes all of the following required certifications and assurances:

- a. Certificate of Indirect (F&A) Costs, 2 CFR Part 200 Appendix IV, Paragraph D. (See Attachment 1)
- b. Certification regarding your organization's compliance with the requirements of 2 CFR Part 200, Subpart E, paragraph 200.450(c)(2)(vi) regarding Lobbying costs. (See Attachment 2)
- c. Statement regarding the compliance with the requirement for physical inventories in support of use allowances or depreciation charges (see 2 CFR Part 200, Subpart E, paragraph 200.436(e). (See Attachment 2)
- d. Statement regarding compliance with any applicable limitations on salaries (i.e. NIH salary limitations; limitations of executive compensation, etc.) in accordance with 2 CFR Part 200, paragraph 200.430(g). (See Attachment 2)
- e. Organizations with federal cost reimbursable contracts or subcontracts: Certificate of Final Indirect Costs per FAR 52.242-4. (See Attachment 3)

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 Single Audit for your base year, if applicable.
12. **Significant Variances:** Actual cost data supporting the proposed rates, to include identification of significant variations from the previous years' actual indirect costs or allocation bases that may have a bearing on the reasonableness of the proposed rates.
13. **Unusual Factors:** Any explanation of new or unusual factors which affect the proposed rates.
14. **Trend Data:** A five-year history of negotiated rates with an explanation for any significant variances.
15. **Future Year Cost Projections** – Your 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).
16. **Significant Variances:** Actual cost data supporting the proposed rates, to include identification of significant variations from the previous years' actual indirect costs or allocation bases that may have a bearing on the reasonableness of the proposed rates.
17. **Trend Data:** A five-year history of negotiated rates with an explanation for any significant variances.
18. **Future Year Cost Projections** – Your 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).

For all non-profits for fiscal years beginning after 12/26/14

2 CFR 200 Appendix IV, Paragraph D Certificate of Indirect (F&A) Costs

This is to certify that to the best of my knowledge and belief:

- (1) I have reviewed the indirect (F&A) cost proposal submitted herewith;
- (2) All costs included in this proposal **[identify date]** to establish billing or final indirect (F&A) costs rate for **[identify period covered by rate]** are allowable in accordance with the requirements of the Federal awards to which they apply and with Subpart E—Cost Principles of Part 200.
- (3) This proposal does not include any costs which are unallowable under Subpart E—Cost Principles of Part 200 such as (without limitation): public relations costs, contributions and donations, entertainment costs, fines and penalties, lobbying costs, and defense of fraud proceedings; and
- (4) All costs included in this proposal are properly allocable to Federal awards on the basis of a beneficial or causal relationship between the expenses incurred and the Federal awards to which they are allocated in accordance with applicable requirements.

I declare that the foregoing is true and correct.

Nonprofit Organization: _____

Signature: _____

Name of Official: _____

Title: _____

Date of Execution: _____

(Nonprofit Name)

Additional Certifications and Statements of Assurance

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 200, Subpart E, paragraph 200.450(c)(2)(vi)). To the best of my knowledge and belief, the subject proposal complies with the requirements and standards of 2 CFR Part 200, Subpart E, paragraph 200.450 Lobbying.

Statement of Assurance re: Charges for Depreciation (2 CFR 200, Subpart E, paragraph 200.436(e)). To the best of my knowledge and belief, the depreciation included in the subject proposal complies with the requirements of 2 CFR 200.436, including but not limited to: the charges for depreciation are 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; and no depreciation is claimed for assets acquired with federal funds.

Statement of Assurance re: Compensation Limitations: To the best of my knowledge and belief, the organization is in compliance with any applicable compensation limitations, including but not limited to agency-specific salary limitations (e.g. NIH) and executive compensation limitations (see 2 CFR 200.430(d)(2)).

For nonprofits which have cost-type FAR contracts, the below additional certificate is required:

Certificate of Final Indirect Costs (in accordance with 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)** 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 expressly unallowable under applicable cost principles of the FAR or its supplements.

Firm: _____

Signature: _____

Name of Certifying Official: _____

Title: _____

Date of Execution: _____