

What I need to know about my CAA

Administrative Cost Allocation

As a board member, you need to know the answers to the following questions. Your executive team should be able to explain the answers to your satisfaction. The board should discuss and approve changes to the agency's administrative cost allocation methods.

1. Our agency charges administrative costs using an (circle one) **direct** **indirect** method.

If your agency uses a direct cost allocation method, answer questions 2-5. If your agency uses an indirect cost allocation method, go to questions 6-10.

1. The following persons are treated as administrative costs: _____

2. The following costs are treated as administrative costs: _____

3. My CAA charges administrative costs to program/grants/contracts using what criteria or methods: _____

4. Problems my CAA has assigning administrative costs include:

If your CAA allocates its administrative costs using an **indirect cost rate** answer questions 6-10.

5. Our indirect cost rate is: (circle one)	Which means we have to treat indirect costs this way:
Provisional/Final	Provisional rates are subject to adjustment by issuance of a final rate based on actual indirect costs incurred for the period (usually the organization's fiscal year). A final indirect cost rate is established after an organization's actual costs for a given accounting period (normally its fiscal year) are known.
Predetermined	A permanent rate established for a specified current or future period and is not subject to adjustment.
Fixed	A permanent rate established for a future prospective period of time to permit budgeting, obligations, and payment of funds by awarding agencies.
Source: (http://www.dol.gov/oasam/programs/boc/guide1.htm)	

- 6. The federal agency that approves our indirect cost rate is: _____
- 7. Our current indirect cost rate is good until (date): _____
- 8. The deadline for submitting our next indirect cost rate request is: (date) _____
- 9. Our indirect cost rate proposal is prepared by: _____

Remarks:
