



STATE OF MICHIGAN
DEPARTMENT OF EDUCATION
LANSING

RICK SNYDER
GOVERNOR

BRIAN J. WHISTON
STATE SUPERINTENDENT

MEMORANDUM

DATE: April 26, 2018

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

FROM: Kyle L. Guerrant, Deputy Superintendent *KG*

SUBJECT: 2018-2019 Federal Indirect Cost Rates

The Michigan Department of Education is pleased to announce the availability of updated indirect cost rate information. The new rate information includes special education rates for 2017-2018 and preliminary rate information for 2018-2019.

The following 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 accurate indirect cost rates will help Michigan achieve its' goal of becoming a top ten education state in the next ten years by supporting strategy 4.3d, to "promote the efficient, flexible, and differentiated use of current resources, including better coordination of local, state, and federal funds to get to agreed-upon educational outcomes."

Form R0418a, '*Costs for the Development of 2018-2019 Federal Indirect Cost Rates*', details the cost data used to calculate preliminary indirect cost rates. Form R0418, '*Carryforward Calculation for 2018-2019 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.

All of this information and more may be accessed through the following link:
<https://www.michigan.gov/mde/0,4615,7-140-6605-118785--,00.html>

New for 2018-2019

Head of Component Data Collection

Form DS-4513 now includes a third tab named 'Part V Head of Component', which collects information regarding Head of Component. Districts that have been identified by MDE as having membership greater than 2,999 are asked to submit the requested information on the third tab for function '25x Support Serv – Business'. A list of districts

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with membership greater than 2,999 has been published on the Indirect Cost Rates (<https://www.michigan.gov/mde/0,4615,7-140-6605-118785--,00.html>) page.

What is meant by Head of Component?

Per the Cost Allocation guide issued September 2009, "Generally, components are organizational units for both indirect and direct functions existing one level below the Chief Executive Officer unit. Depending on the organization, there may be circumstances where component costs would properly be accounted for in the indirect cost pool. The grantee's organizational structure is considered in determining adjustments for components."

Districts with membership greater than 2,999

Districts with membership greater than 2,999 may include an organization chart as part of their submission. The organization chart is used as a reference point for the restricted rate adjustment. The organization chart will be helpful in making a Head of Component determination and is greatly appreciated with your submission. Upload your district organization chart along with your DS-4513 submission at <https://fs10.formsite.com/SASF/form14/index.html>.

Additionally, districts with membership greater than 2,999 are asked to provide the cost of employment for the administrative head of the department and assistant (if applicable) for function 25x Support Serv - Business. Costs of employment may include salaries, benefits, travel, and other associated costs.

Failure to provide this additional information may result in indirect cost rates of zero for the 2018-19 school year.

Deadline and Submission Information

When is the DS-4513 due?

The due date for form DS-4513 is June 1, 2018. This due date is critical and late submissions are not accepted. As the Department continues to facilitate the grant application process through the Michigan Electronic Grants System (MEGS), it is imperative to have the indirect cost rates available on a timely basis. Your cooperation in this regard is appreciated.

Where do I send my completed DS-4513?

Form DS-4513 is now being accepted through the online portal at <https://fs10.formsite.com/SASF/form14/index.html>. This online submission repository allows the MDE to ensure your submission has been received and processed. It also provides you with a confirmation of your submission for your records.

If you have any questions or comments, please contact Jessica Beagle at (517) 241-6435 or by email at BeagleJ1@michigan.gov.

cc: Michigan Education Alliance