



FPP: Chart of Accounts Discussion Item: First \$25,000 of Contracts for Indirect Cost Purposes

1. Question or Issue:

Possible changes to Indirect Cost Calculation – Specifically, Provision in Part 200 of Uniform Grant Guidance, which includes a provision to limit contracts to the first \$25,000 of contracts for the indirect cost base. Our methodology does not currently address this provision, and we have not been required to address this provision, because Colorado’s stance has been that this does not apply to us because of how the Feds define contracts – this appears to have changed under uniform grant guidance. Looking ahead, CDE is taking a proactive stance to provide districts an accounting method within the Chart of Accounts to capture the first \$25,000 of contracts. Therefor we need to discuss how best to do this, and if it should be done at all, paying close attention to the fact that the Feds will very likely bring this up again during our next ICR review scheduled for 2018. Any changes to address this must be incorporated into district data for FY2017-2018.

2. Any Prior FPP Action:

3. Discussion Points/Department Recommendation or Observations (if any)::

1. The assumption is that we need an Object Code within each purchased service range, EG 0300, 0400, 0500 to capture the amount in excess of the first \$25,000

4. FPP Action, Decision Made:

5. Further Action/Research Needed/Table for Future Meeting:

6. Effective Date:

