



State of New Jersey

DEPARTMENT OF EDUCATION

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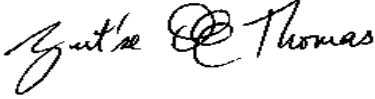
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DAVID C. HESPE  
Acting Commissioner

June 24, 2014

TO: Chief School Administrators  
Charter School Lead Persons  
School Business Administrators/Board Secretaries

FROM: Yut'se O. Thomas, Director   
Office of School Finance

SUBJECT: Indirect Cost Rates for Fiscal Year 2014-15

Beginning with 2014-15 Indirect Cost Applications, the Indirect Cost Rate Tool (ICRT) replaces the spreadsheet application process which existed for many years. The electronic ICRT will streamline the process, increase compliance with federal cost principles, and increase participation in the development of claims for reimbursement of indirect costs related to federal programs and grants. The ICRT for the development of 2014-15 rates will be available for use by school districts and charter schools on or about **June 24 through August 15, 2014**. Access is granted through the Homeroom website <http://homeroom.state.nj.us/>. Please check the website for its availability. Your district homeroom administrator must create user account, User ID and Password for individuals that need access to the ICRT. Please refer to the link called, "About User Account Administration" on the Department's website at <http://www.state.nj.us/education/data/collections/> for the Homeroom Administrator Manual regarding the homeroom administrator login. The ICRT is named "Indirect Cost" in the Homeroom Administrator System.

The development of the ICRT coincides with the negotiation of a new five-year indirect cost agreement between the New Jersey Department of Education (NJDOE) and the United States Department of Education (USDOE). In accordance with that agreement which will be effective July 1, 2014, the NJDOE must use the negotiated methodology to determine each New Jersey school district's and charter school's indirect cost rates. To generate rates for the 2014-15 fiscal year, school districts and charter schools must first complete the ICRT. The June 30, 2013 Audsum submission along with the ICRT data will be used to calculate each school district's or charter school's 2014-15 indirect cost rates. The spreadsheet application process will no longer be available. After thorough review, approved rates will be posted in the Homeroom. Approved indirect cost rates must be obtained from the NJDOE for use in all reimbursement claims for indirect costs from any federal grant or program.

Because this is the first year of the new agreement with USDOE, and because this is also the first year of the electronic ICRT, completion of the ICRT for 2014-15 (2013 fiscal data is used) is strongly

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encouraged, but not required for all districts and charter schools. However, if your school district or charter school elects not to complete the ICRT, you will have no approved indirect cost rate and you may not claim reimbursement for indirect costs from any federal grant or federal assistance program during the fiscal year beginning July 1, 2014.

In anticipation of increased participation in cost allocation by school districts and charter schools, the department has developed enhanced guidance for indirect costs. We encourage school district and charter school personnel, including, but not limited to, school business administrators, school food service coordinators, and grant coordinators to review this important information available on the finance webpage at: <http://www.state.nj.us/education/finance/> select the “Indirect Costs” option from the main menu on the left side of the page.

Questions regarding the ICRT or the use of indirect cost rates obtained should be emailed to [IndirectCostRate@doe.state.nj.us](mailto:IndirectCostRate@doe.state.nj.us)

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c: Members, State Board of Education  
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