

May 1, 2017

152901
Dr. Berhl Robertson, Superintendent
Lubbock ISD
1628 19th St.
Lubbock, Texas 79401-4895

Subject: School Year 2017–2018 (Fiscal Year 2018) Local Educational Agency
Approved Indirect Cost Rates

To the Administrator Addressed:

TEA's Federal Fiscal Compliance and Reporting Division reviews, approves, and negotiates indirect cost rates for local educational agencies (LEAs). The approved indirect cost rate allows the LEA to recover indirect costs incurred in the administration of federal grants.

As the cognizant agency for your LEA, TEA has approved your restricted and unrestricted indirect cost rates for school year 2017–2018. The restricted rate is used for grant programs covered by a supplement, not supplant provision. The unrestricted rate is used for grant programs without such a provision. (You can find detailed information on the supplement, not supplant provision in the Supplement, Not Supplant Handbook, posted in the Handbooks and Other Guidance section of the [Administering a Grant](#) page of our website.)

The following rates for school year 2017–2018 are effective July 1, 2017, through June 30, 2018.

Rate Type	Rate
Restricted Indirect Cost Rate	1.850%
Unrestricted Indirect Cost Rate	15.323%

Please forward a copy of this indirect cost rate notification to your business office/manager, federal fund coordinators, and administrators.

If you have any questions related to the indirect cost rates, please contact the Federal Fiscal Compliance and Reporting Division at (512) 463-9127.

Sincerely,

James Connolly, Interim Director
Federal Fiscal Compliance and Reporting Division

Unrestricted Indirect Cost Rate – Modified Total Direct Cost *BASE

Modified total direct costs consist of all direct salaries and fixed costs, supplies, services, travel, and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract.

Modified total direct costs exclude capital expenditures including capital project funds, (capitalized land, buildings, and equipment); capital outlay not included in a capital projects fund; debt including debt service fund and debt service not included in a debt service fund; TRS On-Behalf payments; Medicaid Part D payments; food and milk costs in a school food service program; monetary judgements against the district/school; payments to fiscal agents and member districts of a shared services arrangement; subgrants and subcontracts over the first \$25,000 of each subgrant or subcontract; and intergovernmental transfers/charges.

Restricted Indirect Cost Rate – Modified Total Direct Cost *BASE

Modified total direct costs consist of all direct salaries and fixed costs; supplies; services; travel; subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract; and all indirect salaries, fixed costs, and expenses related to chief executive officers.

Modified total direct costs exclude capital expenditures including capital project funds (capitalized land, buildings, and equipment); capital outlay not included in a capital projects fund; debt including debt service fund and debt service not included in a debt service fund; TRS On-Behalf payments; Medicaid Part D payments; food and milk costs in a school food service program; monetary judgements against the district/school; payments to fiscal agents and member districts of a shared services arrangement; subgrants and subcontracts over the first \$25,000 of each subgrant or subcontract; and intergovernmental transfers/charges.