

February 27, 2015

TO THE ADMINISTRATOR ADDRESSED:

SUBJECT: One-Time Extension of Current Fiscal Year 2015 Indirect Cost Rates for up to Four Years

This letter is to inform you that TEA now has the authority to approve a one-time extension of currently approved indirect cost rates, for a period up to four years, to any local educational agency (LEA) that requests such an extension. School districts, charter schools, and education service centers (ESCs) may request the extension. For fiscal year 2015, this would affect the indirect cost rates that are effective July 1, 2014, through June 30, 2015. This new flexibility is designed to minimize administrative burden on LEAs, and is authorized by the new Education Department General Administrative Regulations (EDGAR), 2 Code of Federal Regulations Part 200, §200.414(g).

Action Requested

So that TEA can begin to implement the extension process, each school district, charter school, and ESC must submit the attached *One-Time Extension* form to indicate one of the following options:

- My LEA requests an extension of its fiscal year 2015 indirect cost rate for up to four years.
- My LEA *does not* request an extension of its fiscal year 2015 indirect cost rate for up to four years, and will request a fiscal year 2016 indirect cost rate by submitting the appropriate request by the deadline established by TEA.
- My LEA will not submit a request for a fiscal year 2016 indirect cost rate.

The *One-Time Extension* form must be signed and submitted to TEA by next Friday, March 6, 2015. Please use the following instructions to submit the form:

1. Log on to the [TEA secure environment, TEASE](#).
2. Select GFFC Reports and Data Collections.
3. Select Upload Response Documents.
4. Select ICRP Certifications.
5. Select the 2015–2016 school year.
6. Select Upload Document.

Fiscal Year 2016 Indirect Cost Rate Proposals for School Districts

For school districts, because the deadline for requesting an indirect cost rate proposal will have already passed, there are three possible options:

1. School districts that have already submitted an Indirect Cost Rate Proposal (ICRP) have the option to submit the one-time extension and *rescind* their fiscal year 2016 ICRP submission.
2. Those school districts that have not submitted an ICRP would not need to submit one if they choose the one-time extension.
3. School districts that chose to submit the ICRP to obtain a new rate will get the opportunity for a one-time extension *next year* during the new rate negotiation process.

Selection of One-Time Extension is Binding

Once an extension is granted for a period of up to four years, your LEA will not be able submit an ICRP and request a new rate until that extension period ends. At that point, your LEA must reapply and negotiate a new federal indirect cost rate. Therefore, the one-time extension selection is binding. For example, if your LEA requests an extension for one year, you **cannot** request an extension next year for an additional three years for a total of up to four years.

For a list of the current fiscal year 2015 federal indirect cost rates, please visit the [Indirect Cost Rates](#) page of TEA's website and refer to the section under "Current and Prior-Year Indirect Cost Rates for Open-Enrollment Charter Schools, ISDs, and Education Service Centers." If your LEA is not listed with a fiscal year 2015 indirect cost rate, you must request a rate by the TEA established timeline if you would like a rate for fiscal year 2016.

For further information regarding the one-time extension rule, please see the attached excerpt from the Council on Financial Assistance Reform (COFAR) *Frequently Asked Questions*.

Sincerely,

Ed Santiago, Director
Division of Federal Fiscal Compliance and Reporting

Attachments