
INDIRECT COST ASSESSMENT

Indirect Cost Assessment Procedure

Procedure Sections

Last Revised: August 2014

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Reason for Procedure

This procedure provides direction on determining indirect vs. direct costs.

Who Should Know This Procedure

- Principal Investigators
- Administrative Staff
- Winter Conference/Summer Workshop Organizers
- Proposal Committee
- Officers
- Trustees
- General Members
- Other: _____

Contacts

Subject	Contact
Indirect Cost Assessment Questions	Principal Investigators Treasurer Administrative Vice President Finance Manager



Applicable ACP Policies

- Time and Effort
 - Allowable Costs Policy
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Indirect Cost Assessment at ACP

Costs fall into expense categories as listed below. The costs are either direct or indirect, according to the following chart. The Finance Manager codes the expense based on allocability, allowability, reasonableness and consistency in coding. The Administrative Vice President reviews coding on a regular basis.

The Aspen Center for Physics manages four programs which each receive funding from various sources:

- Program #1 – Physics Programs
- Program #2 – Outside Conferences
- Program #3 – Public Lectures
- Program #4 – Fund Raising

Indirect Costs can be allocated across all four programs.

The following Object Codes are used for Allowable Indirect Costs:

- 6100 Accounting
- 6150 Computer
- 6200 Depreciation
- 6250 Grounds and Landscape
- 6300 Insurance
- 6450 Licenses, Fees, Reports
- 6500 Office
- 6550 Postage
- 6600 Professional Dues
- 6620 Professional Services
- 6650 Repairs & Maintenance
- 6700 Telephone
- 6730 Training – Staff and Members
- 6750 Utilities
- 7320 Facility Fee



The following Object Codes are used for Unallowed Indirect Costs:

6130 Cash Over/Short
6340 Investment Expenses
6350 Investment Fees
7400 Unallowed Gifts
8100 Outside Conference Expenses
8200 Reimbursable Expenses

The following Object Codes are used for Allowed Direct and Indirect Costs. Employees provide the distinction on their daily time sheets:

6000 Salaries
6010 Payroll Benefits
6020 Payroll Taxes
6030 Pension
6040 Other Staff Expenses
6070 Temporary Labor

Roles & Responsibilities

Administrative Staff: Responsible for coding and maintaining an accurate accounting.

Officers: Responsible for monitoring sponsored projects, preparing the annual Treasurer's Report and providing oversight of ACP finances.

Appendix: Applicable Federal Regulations & Criteria

From the 2014 NSF PAPPG – Section II-18

(viii) Indirect Costs

Except as noted in GPG II.C.2.g (v) and II.D.9 or in an NSF program solicitation, the applicable indirect cost rate(s) negotiated by the organization with the cognizant negotiating agency must be used in computing indirect costs for a proposal. The amount for indirect costs should be calculated by applying the current negotiated indirect cost rate(s) the approved bases(s).

For proposing organizations that do not have a current negotiated rate agreement with a cognizant Federal agency, its business officer should prepare an indirect cost proposal based on expenditures for its most recently ended fiscal year. If the proposal is recommended for funding, the proposing



organization will be required to provide its indirect cost proposal to support the budgeted indirect rate. The contents and financial data included in indirect cost proposals vary according to the make-up of the proposing organization. Instructions for preparing an indirect cost rate proposal can be found at <http://www.nsf.gov/bfa/dias/caar/docs/idcsubmissions.pdf>. Proposing organizations submitting a proposal to NSF for the first time are encouraged to request guidance from the Cost Analysis & Audit Resolution Branch of NSF's Division of Institution & Award Support at 703-292-8244.

NSF formally negotiates indirect cost rates for the organizations for which NSF has rate cognizance.

