



Announcement – Grant Accountability and Transparency Unit

August 4, 2016

## Indirect Cost Rate Negotiation for Illinois Grantees

The Governor's Office of Management and Budget has contracted with Crowe Horwath to negotiate Indirect Cost Rate Agreements with Illinois Grantees. The Grant Accountability and Transparency Unit received permission from the Federal Government to centralize the negotiation of the indirect cost rate to allow a grantee to negotiate one rate with the State of Illinois. **The centrally approved rate will be accepted by all state grant making agencies, instead of requiring a grantee to negotiate separate rates with each state grant making agency when grantees receive grants with multiple agencies.**

Grantees who have completed the grantee registration, pre-qualification and fiscal and administrative risk assessment will receive an invitation from Crowe Horwath to submit an indirect cost rate proposal for purposes of negotiating a rate.

Training on Cost principles and how to negotiate a rate and navigate the Crowe Horwath system CARS to negotiate a rate is available on the GATA website [www.grants.illinois.gov](http://www.grants.illinois.gov).

Who is required to use the Crowe Horwath CARS system for indirect cost rates:

- Any organization that receives a grant from a state of Illinois grant making agency
- If a grantee organization has a federally negotiated rate, they are required to provide information through the indirect cost rate system. The system will provide instructions to complete this process
- If a grantee organization chooses to elect the 10% de minimis rate, they are required to make this election in the indirect cost rate system. The system will provide instructions to complete this process
- If a grantee organization elects to negotiate an indirect cost rate, they are required to submit an indirect cost rate proposal. Templates, examples and

training are available on the GATA website [www.grants.illinois.gov](http://www.grants.illinois.gov). The system will provide instructions to complete this process

- If a grantee organization elects not to charge a rate, they are required to formally make this election through the centralized indirect cost rate system. The system will provide instructions to complete this process
- Local Education Agencies (LEA) will be allowed to use their rates negotiated with the Illinois State Board of Education will also be accepted by state grant making agencies. LEAs will not be required to negotiate a rate with the State of Illinois centralized indirect cost rate contractor and state grant making agencies will accept the rate