



10% De Minimis Indirect Cost Rate Certification

Local Agency:

Tax Id:

Effective Fiscal Year:

CERTIFICATION OF ELIGIBILITY:

I, the undersigned, certify that our agency is eligible to use the 10% de minimis indirect cost rate as we have:

- Received less than \$35 million in direct federal funding for the fiscal year requested and each fiscal year thereafter.

CERTIFICATION OF FINANCIAL MANAGEMENT SYSTEM:

I, the undersigned, certify that our agency has a financial management system that accumulates and segregates direct costs, (costs that can be specifically identified to a final cost objective [e.g. a project, program, or other direct activity of an organization]) from indirect costs (Costs incurred for a common or joint purpose benefiting more than one final cost objective e.g. administrative costs; such as: clerical support, human resources, accounting, payroll, financial audits, rent, utilities, supplies, vehicle expense, executive management, etc., that is not readily assignable to the final cost objectives specifically benefited, without effort disproportionate to the results achieved) and by project/activity, that are allowable, in accordance with Title 2 Code of Federal Regulations Part 200 (2 CFR Part 200).

I CERTIFY THE AGENCY'S FINANCIAL MANAGEMENT SYSTEM HAS THE FOLLOWING ATTRIBUTES:

- Account numbers identifying allowable direct, indirect, and unallowable cost accounts.
- Ability to accumulate and segregate allowable direct, indirect, and unallowable costs into different cost accounts.
- Ability to accumulate and segregate allowable direct costs by project, funding source, and type of cost (e.g.: labor, consulting, pass-thru, or other).
- Internal controls to maintain integrity of financial management system.
- Ability to consistently record and report costs as described in 2 CFR 200.403.
- Ability to ensure costs billed are compliant with 2 CFR Part 200.
- Ability to ensure costs billed reconcile to general ledgers and job costing ledgers.
- Ability to ensure costs are compliant with contract terms, and Federal and State requirements.

I ALSO CERTIFY THAT THE TYPES OF RECORDS THAT ARE USED TO SUPPORT THE EXISTENCE OF THESE ATTRIBUTES INCLUDE THE FOLLOWING:

- Subsidiary general ledgers.
- Chart of accounts.
- Time keeping records.
- Documents supporting actual costs (e.g. invoices, canceled checks).
- General ledger and job costing ledgers.
- Audited financial statements.
- Accounting policy and procedure manuals specific to the agency.

FINALLY, I UNDERSTAND:

- The de minimis rate of 10% is to be applied to modified total direct costs; which means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). Modified total direct cost excludes equipment, capital expenditures, rental costs, and the portion of each subaward more than \$25,000. Other items may only be excluded when necessary; to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.
- Costs must be consistently charged as either indirect or direct—but may not be double charged, or inconsistently charged as both.
- The proper use and application of the de minimis rate is the responsibility of _____ and Caltrans Audits and Investigations may perform an audit on our agency to ensure compliance with 2 CFR Part 200 and agreements with Caltrans. If it is determined we are inconsistently charging costs, or not in compliance with 2 CFR Part 200, we may be required to reimburse Caltrans for any identified overbillings.
- _____'s schedule of expenditures of Federal awards must include a note on whether it elected to use the 10% de minimis cost rate in accordance with 2 CFR 200 Part 200.510(b)(6).

I declare that the foregoing is true and correct. Government Unit:

Name:

Title:

E-mail:

PLEASE ENSURE ALL FIELDS ARE POPULATED BEFORE SIGNING.

Signature*:

Date:

**Must be executive, financial officer, or equivalent of agency*

TO COMPLETE YOUR APPLICATION:

Please send the following completed forms via e-mail to:

ICAP-ICRP@dot.ca.gov

- ✓ 10% De Minimis Indirect Cost Rate Certification
- ✓ CIAO Submission Review Application