

2005-06 Approved Indirect Cost Rates for Restricted Programs

The California Department of Education (CDE) has recently approved the district indirect cost rates for use, as allowable, with 2005-06 federal and state programs. A schedule is attached that lists the approved indirect cost rates for each district in _____ County. These rates will also be posted on the Internet at www.cde.ca.gov/fg/ac/ic.

Education Code sections 38101 and 52616.4(a)(3) allow the school districts to charge indirect costs to food service and adult education programs at the lesser of:

- The district's indirect cost rate as approved by the CDE, or
- The statewide average indirect cost rate

The allowable statewide average indirect cost rates for 2005-06 are:

- Food Service programs 5.33 percent
- Adult Education programs 5.38 percent

Consequently, if your district's CDE approved indirect cost rate (as listed on the attached schedule) is higher than the allowable statewide average rates indicated above, then you must use the allowable statewide average rates when charging indirect costs to the food service and adult programs.

If you have any questions, please do not hesitate to contact Business Advisory Services.