

 Local Program Leadership Team (LPLT) Bulletin	<small>NUMBER</small> LP03-01B	<small>SUPERSEDES</small> New
	<small>EFFECTIVE DATE</small> October 14, 2013	<small>PAGE NUMBER</small> 1 of 1
	<small>REFERENCE</small> Local Program	
	<small>TARGET AUDIENCE</small> Procurement Office- Intergovernmental Agreements, Local Agency Liaisons, Statewide Programs Unit, Area Managers, Region Agreement Coordinators, Virginia Barker	
<small>SUBJECT</small> Indirect Costs: Invoicing requirement added to Intergovernmental Agreement	<small>CC</small> Oregon Local Program Committee (OLPC)	

PURPOSE:

As outlined in ODOT’s Local Agency Guidelines, Section C, if the local public agency (LPA) intends to bill indirect costs to federal projects, they must have an approved Indirect Cost Allocation Plan (ICAP) and current approved Indirect Rate in place prior to billing for indirect costs. The ICAP must be in compliance with the federal cost accounting principles established under [2 CFR 225](#), historically referred to as OMB circular A-87.

ADDITIONAL INFORMATION:

An ICAP and Indirect Rate can be approved either by the LPA’s federal cognizant agency or through ODOT Cost Allocation Advisory Committee. Without an approved ICAP and current approved rates(s), the LPA may only bill for direct costs. Refer to Financial Accounting Standard (FASM) 14.03.

GUIDANCE:

The following language will be added to certified and non-certified intergovernmental agreements (IGAs) templates:

“Agency shall have a current Indirect Cost Allocation Plan and an approved indirect rate prior to billing indirect costs. A copy of the current rate approval letter showing the approved rates(s) either from the cognizant agency or the State must be attached to invoices with indirect costs.”

A listing of Local Government Indirect Cost Allocation Plans can be found on ODOT Financial Services Website:

<http://transnet.odot.state.or.us/cs/fsb/Web%20Components/ICAP.aspx>

LPLT Bulletin Location: <http://www.oregon.gov/ODOT/HWY/LGS/Pages/LPLT.aspx>

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