

100715 Budget Flexibility and Indirect Cost Rates

(a)

The following provisions shall apply to budget flexibility: (1) No originally approved budget line item may be increased or decreased by more than 10%, without prior DEO approval. (2) This flexibility is the total flexibility to be allowed in any one program year without prior DEO approval.

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(b)

Changes made within flexibility (as well as those made beyond flexibility with DEO prior approval) must be reflected immediately on the quarterly Financial Progress Report.

(c)

For purposes of allocating indirect costs, grantees may use current negotiated indirect cost rates that have been approved by a cognizant Federal agency. (1) Grantees shall submit to the Department for review the approved cost allocation plans that support the indirect cost rates set forth in the proposed budget at the

time the budget is submitted, and a copy of the letter of approval from the cognizant agency which includes date of approval and amount of rate. (2) All expenditures distributed to indirect costs shall be subject to audit.

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(2)

All expenditures distributed to indirect costs shall be subject to audit.