

## CERTIFICATION OF DE MINIMIS INDIRECT COST RATE FORM

### Indirect Rate Cost Certification Form for Agencies Using the 10% de minimis Rate on Grant Agreements with Federal Funding

#### CERTIFICATION OF ELIGIBILITY

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

- Never received a negotiated indirect cost rate.
- 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 SUBRECIPIENT 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 benefitting 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 benefitted, 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: Uniform Administrative Requirements, Cost Principles, and Audit Requirements (Uniform Guidance).

**I certify the SUBRECIPIENT'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 the Uniform Guidance.
- Ability to ensure costs billed are in compliance with the Uniform Guidance.
- Ability to ensure costs billed reconcile to general ledgers and job costing ledgers.
- Ability to ensure costs are in compliance 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:**

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

**Finally, I understand:**

1. 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 in excess of \$25,000.
2. Costs must be consistently charged as either indirect or direct but may not be double charged or inconsistently charged as both.
3. The proper use and application of the de minimis rate is the responsibility of SUBRECIPIENT and SANDAG may perform an audit on SUBRECIPIENT to ensure compliance with the Uniform Guidance and agreements with SANDAG. If it is determined we are inconsistently charging costs, or not in compliance with the Uniform Guidance we may be required to reimburse SANDAG for any identified overbillings.
4. SUBRECIPIENT'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 the Uniform Guidance.

I declare that the foregoing is true and correct.

Subrecipient \_\_\_\_\_

Signature: \_\_\_\_\_

Name of Official\*: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

Telephone No.: \_\_\_\_\_ E-mail: \_\_\_\_\_

*\*(Must be executive, financial officer, or equivalent of Subrecipient)*