**BKD, LLP** (**BKD**) is pleased to provide you with this example policy. This example is for your exclusive use and may not be copied or modified for use by any other party without the permission of **BKD**, LLP.

You agree to assume full responsibility for using **BKD**-designed example policies and procedures. **BKD** will not review or supervise any of the work performed by your personnel working with our examples. By providing these examples, **BKD** is not making management decisions or performing management responsibilities. That responsibility remains with management and the Board of Directors at all times.

**BKD** does not provide any warranties in regards to example policies and procedures. Oversight agencies including, but not limited to, the Department of Health and Human Services (including the Bureau of Primary Health Care), the Office of Inspector General, or any other potential oversight agency may have a different understanding and/or interpretation of the requirements of your organization. The items included do not constitute a guarantee of compliance or acceptance by other oversight agencies.

Additionally, the accounting standards, applicable laws, regulations and regulators’ enforcement activities may change over time requiring modifications to these example policies and procedures. Required modifications to these examples are your responsibility.

The example(s) are not designed to prevent or discover errors, misrepresentations, fraud or illegal acts, and you agree **BKD** has no such responsibility. Because of the limits in any internal control structure, errors, fraud, illegal acts or instances of noncompliance may occur and not be detected.

**BKD** can be compelled to provide information under the legal process. In addition, we may be requested by regulatory or enforcement bodies to make certain workpapers available to them pursuant to authority granted by law or regulation. You agree that we have no legal responsibility to you in the event we provide such documents or information.

**[CHC]**

**Indirect Costs Policy**

**Date Last Updated: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Board Approved: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

1. **Policy**

It is the policy of [CHC] to document the indirect cost rate or process used to allocate indirect costs to individual federal grants. If all costs are direct, the method used to allocate costs benefiting multiple cost objectives will be separately identified for each cost objective.

*<Tailor this section if [CHC] has or will apply for Federally Negotiated Indirect Cost Rate>* The indirect cost rate will be prepared [insert frequency] by [insert position] and submitted for approval to [insert agency]. The existing indirect cost rate will be used and applied to federal programs until the approval of a new indirect cost rate is approved.

*<Tailor this section if [CHC] will use de minimis – 10% admin rate>* When using the De Minimis rate, [CHC] will ensure that directly charged costs will not be recovered twice by application of the de minimis rate and the direct allocation of an expense to a federal award.

1. **Accountability**

The following [CHC] staff are responsible for ensuring compliance with and overseeing the following aspects of this board approved policy:

* Chief Financial Officer

1. **Procedures**

[CHC] <insert procedures>

* [How the rate proposal is prepared]
* [List the types of expenses available for the indirect cost pool]
* [Describe the approval process of indirect cost rate reimbursement, matching or cost sharing.]