

SAM—MISCELLANEOUS ACCOUNTING PROCEDURES

INDIRECT COST RATE PROPOSAL

8756

(Revised 2/99)

Department or program costs can be categorized into three types:
(See SAM Section 8752.1 for descriptions of these costs.)

Direct

Departmental indirect

Central service

Indirect costs (both departmental and central service) are generally assigned to a program or organizational unit by an indirect cost rate or by some other cost application technique. Indirect cost rates are usually expressed as percentages. These percentages express the relationship of the sum of departmental indirect and central service costs to a direct cost base. Commonly used direct cost bases include direct salaries and wages costs, direct personal services costs, or total direct costs. The aggregation of all costs (direct, indirect, and central service), the analysis of cost relationships, and, finally, the computation of rate(s) are the basic steps involved in developing an ICRP.