



**Fixed With Carry Forward Indirect Cost Rates**  
**For Use in FY2025-26, Based on FY2023-24 FIN DEC Pipeline data**

The calculation compares what you were able to use as an Indirect Cost Rate in FY2023-24, and compares that rate to what you actually reported as Indirect Costs in your FY2023-24 Financial December Pipeline data. Additionally, the calculation produces a carry forward figure to be applied to the actual FIN DEC data submitted in FY2025-26.

1. Direct and Indirect Costs you reported in FY2021-22, which drove the Indirect Cost Rate for use in FY2023-24. This is Pipeline data you provided.

Direct = \_\_\_\_\_ (a)

Indirect = \_\_\_\_\_ (b)

2. The Restricted Rate produced **for use** in FY2023-24 based on this Pipeline data was:

\_\_\_\_\_ (c)

3. Now look at the **Actual** Direct and Indirect costs reported in the FY2023-24 Pipeline data.

Direct = \_\_\_\_\_ (d)

Indirect = \_\_\_\_\_ (e)

The Carry Forward Figure from your FY2021-22 Data used in conjunction with FY2023-24 Pipeline data is:

\_\_\_\_\_ (f)

\_\_\_\_\_ (e) + \_\_\_\_\_ (f) = \_\_\_\_\_ (g)

The result (g) is what you **should have recovered** as Actual Indirect Costs in FY2023-24 – this drives the carry-forward figure

4. Take the Actual Direct Costs you reported for FY2023-24 (d) and multiply by the Restricted Rate used in FY2023-24 (c),

\_\_\_\_\_ (d) x \_\_\_\_\_ (c) = \_\_\_\_\_ (h)

5. The result (h) is called the “Carry Forward”. You reduce what you should have recovered as indirect costs in FY2023-24 (g) by the carry forward figure (h)

\_\_\_\_\_ (g) - \_\_\_\_\_ (h) = \_\_\_\_\_ (i)

6. If the carry-forward difference (i) is a negative dollar amount, you have an “Over Recovery” to be used in the Fixed with Carry Forward Calculation, because it is more than what was actually reported for Indirect Costs in FY2023-24 (e). The calculation assumption is that the District/BOCES recovered more than what the actual Indirect Costs were. In this scenario, expect to see the Indirect Cost Rate decrease.
7. If the difference (i) is a positive dollar amount, you have an “Under Recovery” to be used in the Fixed with Carry Forward Calculation, because it is less than what was actually reported for Indirect Costs in FY2023-24 (e). The calculation assumption is that the District/BOCES recovered less than what the actual Indirect Costs were. In this scenario, expect to see the Indirect Cost Rate increase.
8. Add the Under or Over Recovery figure (i), to the actual Indirect Costs reported in FY2023-24 financial data

\_\_\_\_\_ (i) + \_\_\_\_\_ (e) = \_\_\_\_\_ (j)

9. Divide the Adjusted Indirect Cost figure (j) by the actual Direct Costs you reported in FY2023-24 financial data (d)

\_\_\_\_\_ (j) / \_\_\_\_\_ (d) = \_\_\_\_\_ (k)

10. Multiply (k) by 100 and carry to two decimal places. (k) is your Fixed with Carry Forward Indirect Cost Rate for use in FY2025-26

\_\_\_\_\_ (k) x 100 = \_\_\_\_\_ %

Truncate: \_\_\_\_\_ %

- Indirect Cost Rates are produced annually for all Districts and BOCES using the Financial December Data Pipeline data submitted to the Department.
- A Restricted Rate and an Unrestricted Rate are calculated.
- Restricted Indirect Cost Rates are capped at 10.50%. Restricted rates must be used for educational grants (unless otherwise noted in the terms of the educational grant).
- Unrestricted Rates are capped at 30.00%. Unrestricted rates are primarily used within Food Service Programs.
- The Indirect Cost Rate Report is available during the submission of the Financial December Pipeline data. [Rates are posted on the CDE website every spring.](#)
- Within Data Pipeline, Districts/BOCES acknowledge and approve that their financial data will be used to produce indirect cost rates.
- The Indirect Cost Rate calculation is reviewed and approved by the U.S. Department of Education, Indirect Cost Group every five years. The Department’s calculation methodology follows the instructions set forth by the U.S. Department of Education. [Cost Allocation Guide for State and Local Governments.](#)
- All Indirect Cost information, district/BOCES specific reports, delegation agreement with the U.S. Department of Education, and supporting material is found on the CDE School Finance website: <http://www.cde.state.co.us/cdefinance/icrc>