



COPS★

Community Oriented Policing Services
U.S. Department of Justice

COPS FY2013 Budget Application Guide: Community Policing Development (CPD)

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The COPS Application Guide is designed to assist applicants in applying for COPS grant programs. This Guide includes general information on the administrative and legal requirements governing the Community Policing Development Program, as well as detailed program-specific information.

For more information about COPS grants, please call the COPS Office Response Center at 800.421.6770.



U.S. Department of Justice
Office of Community Oriented Policing Services
145 N Street, N.E.
Washington, DC 20530
COPS Online: www.cops.usdoj.gov

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OVERVIEW

Community Policing Development Overview

Community Policing Development (CPD) funds are used to advance the practice of community policing in law enforcement agencies through training and technical assistance, the development of innovative community policing strategies, applied research, guidebooks, and best practices that are national in scope. The COPS Office, a federal provider of innovative, customer-focused resources that address the continuing and emerging needs of those engaged in enhancing public safety through community policing, has designed the CPD solicitation to address critical topics in the law enforcement field by building on the principles of community policing.

Community policing is a philosophy that promotes organizational strategies, which support the systematic use of partnerships and problem-solving techniques, to proactively address the immediate conditions that give rise to public safety issues such as crime, social disorder, and fear of crime.

Community policing is comprised of three key components:

- **Partnerships**

Collaborative partnerships between the law enforcement agency and the individuals and organizations they serve to develop solutions to problems and increase trust in police.

- **Organizational Transformation**

The alignment of organizational management, structure, personnel, and information systems to support community partnerships and proactive problem solving.

- **Problem Solving**

The process of engaging in the proactive and systematic examination of identified problems to develop and evaluate effective responses.

Misuse of CPD funds and/or failure to comply with all COPS grant requirements may result in suspension or termination of grant funds, the repayment of funds, and/or other remedies available by law.

Under the False Claim Act, any credible evidence that a person has submitted a false claim or has committed a criminal or civil violation of laws pertaining to fraud, conflict of interest, bribery, gratuity, or similar misconduct involving COPS funds may be referred to the Office of Inspector General (OIG). The OIG may be contacted at oig.hotline@usdoj.gov, www.usdoj.gov/oig/FOIA/hotline.htm, and 800.869.4499.

BUDGET NARRATIVE

All CPD applicants must attach a Budget Narrative. Your agency must create and attach a document that 1) describes each item requested or group of similar items requested; and 2) links each item or group of items to the proposed project. Budget narratives do not count toward the 20 page limit.

Instructions for Completing the Budget Narrative

Applicants are required to provide a specific description for each item included in the Budget Detail Worksheets and explain how it supports the project goals and objectives outlined in their application. This information is to be submitted as an application attachment under Section 13 of your online application.

In the Budget Narrative, you must provide a brief description of the item(s) proposed for purchase, its purpose, and how the item(s) relates to the overall project. Sections A through H, and the Budget Summary of the COPS Budget Detail Worksheets, are applicable to the CPD program. Every item included on the Budget Detail Worksheet must be included in the Budget Narrative. Like items may be grouped together for ease of reporting. Ensure that line item totals match between the budget narrative and budget detail worksheets.

The structure of the Budget Narrative should coincide with the order of the Budget Detail Worksheets included in this application and must fall under one of seven categories: Civilian/Non-Sworn Personnel and Fringe Benefits; Equipment/Technology; Supplies; Travel; Contracts/Consultants; Other Costs; and Indirect Costs. (NOTE: Salary and benefits can only be requested for the award performance period—two years for all awards under this solicitation.) If you have any questions please refer to the section on Allowable and Unallowable Costs.

All FY2013 applicants must attach the Budget Narrative as part of Section 13.

ALLOWABLE AND UNALLOWABLE COSTS

All items requested will be considered on a case-by-case basis during the budget review process. Items under the program must be purchased using the legislative guidelines established by the appropriations legislation that governs this funding. Additionally, each item requested must programmatically link to the activities described in your application. To the greatest extent practical, all equipment and products purchased with these funds must be American-made.

Note: For awards made to states or units of local government (including law enforcement agencies), requests may be made only for items or positions that are not otherwise budgeted with state, local, or Bureau of Indian Affairs (BIA) funds, and would not be funded in the absence of this COPS grant (see Section IV. Nonsupplanting Requirement in the FY2013 CPD Application Guide).

Fundable Requests

Please refer to your cost principles.

If your organization receives an award or subaward...	...then these cost principles apply.
College or university	2 C.F.R. 220
State, local, or Indian tribal government	2 C.F.R. 225
Nonprofit organization	2 C.F.R. 230

Costs must meet certain criteria in order to be charged to the federal government. For more information on Cost Principles, please visit www.whitehouse.gov/omb/circulars_default.

Each requested budget item must be allowable, necessary, allocable, and reasonable to the project activities.

Budget requests may be made in the categories of:

- Civilian/Non-sworn Personnel and Fringe Benefits
- Equipment/Technology
- Supplies
- Travel/Training
- Contracts/Consultants
- Other Costs
- Indirect Costs

Requests for reimbursement of items purchased or expenses incurred prior to the award start date will not be funded.

Civilian/Non-sworn Personnel (Salaries) and Fringe Benefits

Civilian/Non-sworn Personnel

Salaries of personnel are costs based on the percentage of time spent (FTE) working directly on the project. The total salary percentage should be comparable and consistent with organizational policy. The total amount paid is comparable to industry standards and the type of work being performed.

Your budget narrative should:

- Include the name and job title of all key personnel working on the project. Provide a detailed description of the work to be completed by each individual along with estimated time spent on the project.
- Include organizational pay scales or written annual salary per position.
- If using organizational cost of living increases, please be explicit on year to year increases.
- Do not include fringe in this category fringe benefits will be captured separately.

Under the personnel category, the following items are **generally unallowable**:

- If your organization charges an indirect cost, those costs normally include the following positions and therefore these positions should not be charged as personnel to avoid possible duplication:
 - Administration (director, program head) (see FAQ#4)
 - Clerical (secretary, administrative assistant)
 - Accounting (controller, bookkeeper)
 - Procurement (purchasing director, stockroom clerk)
 - Housekeeping and maintenance (custodial and janitorial, repairman, grounds keeper)

Note: These positions can be charged directly if the individual is working a significant amount of time on the project. This will be approved on a case-by-case basis and your narrative should significantly articulate the need to charge these directly if applicable.
- Salaries and benefits of personnel that do not work directly on the project are not allowed.
- For awards made to states or units of local government (including law enforcement agencies), salaries and benefits for positions that are already budgeted with state, local, or Bureau of Indian Affairs (BIA) funds, and would be funded in the absence of this COPS grant are also not allowed.

Fringe Benefits

Fringe benefits are allowances and services provided by the organization to its employees as compensation in addition to regular salary. Typical fringe benefits:

- Federal Insurance Contributions Act (FICA) Taxes – includes Social Security and Medicare, and cannot exceed 7.65 percent (6.2 and 1.45 percent respectively)
- Health Insurance – individual or family
- Life Insurance
- Vacation – by number of hours
- Sick Leave – by number of hours
- Retirement
- State Unemployment Compensation Insurance
- Federal Unemployment Tax
- Worker's Compensation Insurance
- Other Fringe Benefits may include – Holidays, Military Leave, Bereavement Leave, Sabbatical Leave, Severance Pay, Jury Duty, State Disability Insurance, Pension Plan, 401(k)

Your budget narrative should include:

- Percentage breakdown for each personnel charged directly to the project in relation to their percentage of work on this project
- Written organizational policies regarding fringe benefits. Written policy is needed to determine how fringe benefits are treated (direct versus indirect costs).
- If your organization has a written flat fringe rate, you must submit an up to date copy of this policy or agreement with your application package.
- If estimates are used, provide explanation from where estimates are derived

Under the fringe category, the following items are **generally unallowable**:

- If your indirect cost rate agreement includes fringe benefits then you may not charge these costs directly to the project.

Equipment/Technology

Necessary equipment must be specifically purchased to implement or enhance the propose project. Equipment is tangible, nonexpendable personal property, including exempt property, having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

Your budget narrative should include:

- A list of each equipment request and justification.
- If your agency is proposing to purchase equipment under this project, you must provide justification to the necessity of such purchases.
- Justification that this equipment is not available or accessible to project personnel without specifically purchasing through this award.

Under the equipment category, the following items are **generally unallowable**:

- Shared items between projects—if equipment is to be used for concurrent projects, then this should be captured in your indirect charges. If your organization does not charge an indirect cost, this may be proportionally charged as direct with prior approval.
- Bulletproof vests and accessories
 - CAD/RMS systems
 - Electronic Control Weapons (ECW)
 - General police vehicles (including patrol cars and leased vehicles)
 - Golf carts/Segways
 - Handcuffs, weapons, and ammunition (including training ammunition)
 - Mobile Data Terminals (MDT)
 - Radios

Supplies

Supplies costs consist of those incurred for purchased goods and fabricated parts directly related to a grant proposal. Supplies differ from equipment in that they are consumable, expendable, and of a relatively low unit cost, as defined as less than \$5,000 per unit. Such costs may include paper, printer ink, pens, pencils, laptops, etc.

Your budget narrative should include:

- A list of each supply request and justification.
- For broad category requests (such as “Office Supplies”), explanation for project amounts should be provided and include calculations.

Under the supply category, the following items are **generally unallowable**:

- Shared items between projects—if supplies are to be used for concurrent projects, then this should be captured in your indirect charges or only charge the percentage allocated to this project (for example, if a laptop is being purchased for a research assistant who works 40 percent of their time on this project, then only charge 40 percent of the laptop cost to this project).

Travel/Training

Travel costs include the costs of transportation, lodging, meals, and incidental expenses incurred by personnel while on official business, such as attendance at a grant-related meeting or conference when travel is further than 50 miles from program location. Travel and subsistence estimates are based on the contemplated number of trips, places to be visited, length of stay, transportation costs, subsistence allowances, and the recipient's own travel policies. When charging travel costs to federal awards, grant recipients must adhere to their internal travel policy.

If a recipient does not have a written travel policy, they must adhere to the Federal Travel Regulations (FTR). For information on the FTR and U.S. Government General Service Administration (GSA) per diem rates by geographic area, please visit www.gsa.gov/portal/content/104790.

Your budget narrative should include:

- Purpose of trip
- Proposed destination
- Trip duration
- List of individuals travelling
- Cost and calculation breakdown (per person/per trip) including:
 - Mode of transportation and proposed fare per trip (airfare, train, etc.)
 - Mileage allowances if private vehicle will be used
 - Per diem rates for the destination
 - Lodging costs
 - Transportation fees
 - Parking fees
- Written Travel Policy attached, if applicable

Under the travel category, the following items are **generally unallowable**:

- Local travel costs (lodging, meals, per diem, or transportation costs) within a 50-mile radius of the project location
 - Mileage reimbursement, rental cars, parking fees, and/or taxi fare for local travel within a 50-mile radius of the project location
 - Food and beverages at conferences, meetings, or trainings your organization is hosting (refer to Appendix D for details)
 - Costs exceeding Federal Travel Regulations if no other organizational written policy is supplied that supersedes these established rates

Contracts/Consultants

Consultant expenses and contracts include goods or services that directly contribute to the implementation or enhancement of the project. The use of a consultant should be more economical than direct employment. Compensation for individual consultant services procured under a COPS grant must be reasonable and allocable in accordance with Office of Management and Budget (OMB) cost principles, and consistent with that paid for similar services in the marketplace. The services should be commensurate with the rate or salary paid by the primary employer. Unless otherwise approved by the COPS Office, independent consultant rates will be approved based on the salary a consultant receives from his or her primary employer, as applicable, up to \$550 per day.

Your budget narrative should include:

- List of consultants with justification, including:
 - Nature and scope of services rendered in relation to services required for the project
 - Necessity of contracting these services regarding the organizations capability
 - Whether services can be performed more economically by direct employment
 - Qualifications of individual and customary fees charged
- List of contracts with justification including:
 - Nature and scope of goods purchased
 - Price proposals and length of contract
- List of consultant travel (see FAQ #2), including:
 - Purpose of trip
 - Proposed destination
 - Trip duration
 - List of individuals travelling
 - Cost and calculation breakdown (per person/ per trip) including:
 - Mode of transportation and proposed fare per trip (airfare, train, etc.)
 - Mileage allowances if private vehicle will be used
 - Per diem rates for the destination
 - Lodging costs
 - Transportation fees
 - Parking fees
- For consultant or contractor rates which exceed \$550 per day, the COPS Office requires written justification if the consultants or contractors are hired through a noncompetitive bidding process and grantees must receive COPS Office approval of those rates before drawing down grant funds. Determinations of approval will be made on a case-by-case basis (refer to the Consultant/Contractor Rate Information Fact Sheet in Appendix C).
- Sole source justification for all proposed sole source procurements in excess of \$100,000 (refer to the Sole Source Justification Fact Sheet in Appendix A)

Under the contract/consultant category, the following items are **generally unallowable**:

- Maintenance and/or service contracts that extend the life of the grant period (multi-year contracts and extended warranties are allowable, but must be paid in full within the initial grant period and must not exceed the grant period)

Other Costs

Items not included in the above categories, but which have a direct correlation to the overall success of a grantee's project objectives and are necessary for the project to reach full implementation will be considered on a case-by-case basis by the COPS office.

Your budget narrative should include:

- A list of items requested with justification and calculation breakdown

Under the other category, the following items are **generally unallowable**:

- Office rental/lease space, except for costs proportionate to work conducted under the CPD award (if included within an indirect cost rate negotiated agreement)
- Publishing services—the COPS Office provides publishing services and printing for deliverables and other project materials, therefore these costs cannot be directly charged unless approved on a case-by-case basis.

Indirect Costs

Indirect costs normally included in the indirect pool include:

- Personnel service—administration, clerical, accounting, procurement, housekeeping and maintenance, legal, library, public relations, automatic data processing
- Other Costs—space rental, utilities, communication, taxes, insurance, materials and supplies, travel

Indirect cost rates may vary depending on your cognizant agency determinations; in some cases, project budgets may include more than one rate particularly when off-site activity is conducted at a location other than the organizations premises. Note: Ensure the indirect calculation is in accordance with your agency's indirect cost rate agreement. If your organization has an expired indirect cost rate, the indirect cost category will be frozen until a current or provisional rate is provided (see FAQ#3).

Applicants should pay particular attention to the two areas listed below to ensure that the application of your indirect cost rate is in compliance with the existing requirements of the government-wide grant rules set out in the Office of Management and Budget (OMB) Circulars and regulations:

1. **\$25,000 Subcontract/Subaward Limitation:** For Educational Institutions and Non-Profit Organizations, indirect cost rates negotiated on the basis of modified total direct costs may only be applied against the first \$25,000 of any subcontract or subaward under the agreement. This limitation must be applied to all conference related subcontracts and subawards, including those with hotels and travel agents. (2 C.F.R. part 220 (Educational Institutions, formerly Circular A-21), Appendix A, G(2) and 2 C.F.R. part 230 (Non-Profit Organizations, formerly Circular A-122), Appendix A, D(3)(f))
2. **Participant Support Costs:** For Non-Profit Organizations, in accordance with 2 C.F.R. part 230, Appendix A, D(2)(C), participant support costs are generally excluded from the distribution base. *"The distribution base may be total direct costs (excluding capital expenditures and other distorting items, such as major subcontracts or subgrants), direct salaries and wages, or other base which results in an equitable distribution. The distribution base shall generally exclude participant support costs as defined in paragraph 32 of Appendix B. {in 2 CFR 230}"* Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia, or training projects. This exclusion applies to the *entirety* of any subcontracts for the lodging and travel of conference participants or trainees (but not employees).

Please note that only employees of the Non-Profit Organization are excluded from the definition of participant support costs. Costs related to contractors of the Non-Profit Organization who are acting in the capacity of a "Conference Trainer/Instructor/Presenter/Facilitator" are considered participant support costs. For more information on allowable costs for conferences and training, please follow this link: www.ojp.gov/funding/confcost.htm.

If you need additional information on an Indirect Cost Rate Negotiated Agreement, go to www.ojp.usdoj.gov/funding/pdfs/indirect_costs.pdf. If the applicant does not have an approved rate, a rate can be requested by contacting the applicant's cognizant federal agency, which will review all documentation and approve a rate for the applicant organization.

Your budget narrative should include:

- A copy of the current, signed federally-approved Indirect Cost Rate Negotiated Agreement
- If your agency does not have a provisional or current Indirect Cost Rate Negotiated Agreement or it is expired and under review, the applicant must submit supporting documents to show the applicant's cognizant federal agency is reviewing the request.
- If your agency uses multiple rate calculations, provide an explanation and calculation breakdown for each rate.

Under the indirect costs category the following items are **generally unallowable**:

- Participant travel costs are excluded from indirect cost calculations (see Appendix E)

Sample Budget Narrative

A. SWORN OFFICER POSITIONS – N/A

B. CIVILIAN/NON-SWORN PERSONNEL AND FRINGE BENEFITS - \$86,549

CIVILIAN/NON-SWORN PERSONNEL – \$65,652

Year 2 salary estimates are based on a 4 percent cost of living increase as determined by our institutional policy (see attachment).

Amanda Weinstein, Program Coordinator, Country Coordinating Agency (CCA)

Amanda Weinstein program coordinator for Crime Prevention Initiatives will develop and deliver the law enforcement trainings. She will serve as the lead training for the five sites and will provide technical assistance when needed. She will also develop best practices guidebook.

Year 1 – $\$40,560 \times 35\% = \$14,196$

Year 2 – $\$42,182 \times 35\% = \$14,764$

TOTAL = \$28,960

Patrick Murphy, Research Associate, Country Coordinating Agency

Patrick Murphy will write and analyze all pre and post assessments and will assist in all evaluation strategies.

Year 1 – $\$39,520 \times 10\% = \$3,952$

Year 2 – $\$41,101 \times 10\% = \$4,110$

TOTAL = \$8,062

Kyle Morale, Senior Trainer, Country Coordinating Agency

Kyle Morale will assist in developing the law enforcement training and developing the best practices guidebook. He will oversee all training and serve as a resource for all sites.

Year 1 – $\$65,770 \times 5\% = \$3,289$

Year 2 – $\$68,400 \times 5\% = \$3,420$

TOTAL = \$6,709

John York, Manager Director, Country Coordinating Agency

John York will supervise the project staff, to ensure the quality of resources under this grant. He will assist in addressing any challenges that arise, to ensure program tasks are completed on time and within budget.

Year 1 – $\$106,080 \times 5\% = \$5,304$

Year 2 – $\$110,323 \times 5\% = \$5,516$

TOTAL = \$10,820

Susan Gold, President, Country Coordinating Agency

Susan Gold has final oversight and approval of project deliverables.

Year 1 – $\$181,397 \times 3\% = \$5,442$

Year 2 – $\$188,653 \times 3\% = \$5,660$

TOTAL = \$11,102

TOTAL YEAR 1 = \$32,183

TOTAL YEAR 2 = \$33,470

FRINGE BENEFIT – \$20,897

Country Coordinating Agency's fringe benefit cost is calculated with the following breakdown per the percentage of time on this project:

FICA Taxes – 7.65 percent

$\$65,652 \times 7.65\% = \$5,022.38$

Health Insurance – 10.5 percent

$\$65,652 \times 10.5\% = \$6,893.46$

State unemployment – 6.83 percent

$\$65,652 \times 6.83\% = \$4,484.04$

Disability Insurance - .7 percent

$\$65,652 \times .7\% = \459.57

Retirement – 6.15 percent

$\$65,652 \times 6.15\% = \$4,037.60$

TOTAL FRINGE BENEFITS – 31.83 percent

$\$65,652 \times 31.83\% = \$20,897.04$

C. EQUIPMENT/TECHNOLOGY – \$0**D. SUPPLIES – \$1,920**

General office supplies (paper, pens, pencils, staplers, file folders) – based on past experience the cost is estimated at \$30 per month.

\$30 x 24 months = \$720

Postage – training materials, technical assistance resources and other materials will be mailed to pilot sites in connection with grant activities.

\$50 x 24 = \$1,200

E. TRAVEL/TRAINING – \$13,250

Staff travel for training events – An initial training will prepare the participants from five pilot sites to use the program to implement these crime prevention strategies in their agencies and communities. Two CCA staff members will conduct each of the five pilot site trainings. As the location of each training has not been decided at this time, average costs have been used based on the GSA Federal Travel Regulations.

Airfare – $\$500/\text{per trip} \times 2 \text{ people} \times 5 \text{ trips} = \$5,000$

Hotel – $\$104/\text{night} \times 3 \text{ nights/trip} \times 2 \text{ people} \times 5 \text{ trips} = \$3,120$

Per Diem – $\$58/\text{day} \times 4 \text{ days} \times 2 \text{ people} \times 5 \text{ trips} = \$2,320$

Ground transportation (Estimated costs for cab fare to and from airport) – $\$40 \times 2 \text{ people} \times 5 \text{ trips} = \400

TOTAL STAFF TRAVEL FOR TRAINING EVENTS = \$10,840

FOCUS GROUP TRAVEL

Two CCA staff members will lead the focus group meeting in September 2013 in Washington, D.C.

Airfare – \$500 x 2 people x 1 trip = \$1,000

Hotel – \$226 x 2 nights/trip x 2 people x 1 trip = \$904

Per Diem – \$71/day x 3 days x 2 people x 1 trip = \$426

Ground Transportation (estimated costs for cab fare to and from airport) – \$40 x 2 people x 1 trip = \$80

TOTAL FOCUS GROUP TRAVEL FOR CCA STAFF = \$2,410

F. CONTRACTS/CONSULTANTS – \$13,080**Sergeant Eric Matthews (ret.), Driscoll Township**

Sergeant Matthews will provide his expertise on the law enforcement training development and review the best practices guidebook. The rate of \$400 is based on Sgt Matthews' annual salary of \$60,000.

\$400/day x 10 days = \$4,000

Ten focus group participants will be brought in for the focus group meeting in September 2013 in Washington, D.C. The focus group participants will be geographically diverse, so the airfare is estimated.

Airfare – \$500 x 10 people x 1 trip = \$5,000

Hotel – \$226 x 1 nights/trip x 10 people x 1 trip = \$2,260

Per Diem – \$71/day x 2 days x 10 people x 1 trip = \$1,420

Ground Transportation (estimated costs for cab fare to and from airport) – \$40 x 10 people x 1 trip = \$400

TOTAL FOCUS GROUP PARTICIPANT TRAVEL – \$9,080

G. OTHER COSTS – \$4,266

Phone – local and long distance phone service will facilitate the delivery of technical assistance and help accomplish project tasks. Phone services are \$50 a month per staff line. The percentage of all staff on this grant equals 1.48 FTE.

\$50/month x 24 months x 1.48 FTE = \$1,766

FOCUS GROUP

Rental space – the focus group that will meet in September 2013 in Washington, D.C., will need space for a full day meeting. Three bids will be attained by hotels and meeting space in the Washington, D.C. area. We are estimated approximately \$2,000 for a full day.

TOTAL RENTAL SPACE = \$2,000

AV equipment – AV equipment will need to be rented for the full day focus group meeting in September 2013 in Washington, D.C. If the meeting space includes AV equipment this cost will be reprogrammed with the approval of the program manager.

TOTAL AV EQUIPMENT = \$500

TOTAL FOCUS GROUP COSTS = \$2,500

H. INDIRECT COSTS – \$34,555

CCA indirect cost is calculated at a rate of 32 percent of modified total direct costs (see attached indirect cost rate agreement). Modified total direct costs consist of all salaries and wages, fringe benefits, materials, supplies, services, travel, and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract. Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000.

TOTAL COSTS = \$119,065

Excludes - \$9,080 (participant travel costs) (see FAQ#8) + \$2,000 (rental costs of off-site facilities) = \$11,080

Modified total direct costs - \$107,985 x 32% = \$34,555.20

BUDGET SUMMARY

A. Sworn Officer Positions	N/A
B. Civilian/Non-Sworn Personnel and Fringe Benefits	\$86,549
C. Equipment/Technology	\$0
D. Supplies	\$1,920
E. Travel/Training	\$13,250
F. Contracts/Consultants	\$13,080
G. Other Costs	\$4,266
H. Indirect Costs	\$34,555
TOTAL BUDGET REQUEST	\$153,620

BUDGET DETAIL WORKSHEETS

Instructions for Completing the Budget Detail Worksheets

If you are not requesting anything under a particular budget category, please check the appropriate box in that category indicating that no positions or items are requested.

For CPD Program grants with a grant performance period of 2 years, please insert zeros for all categories in year 3.

If Indirect Costs are applicable to your agency please enter "1" for the computation (number of items). For Computation (unit cost), include your total indirect costs for this project. Please explain only applicable indirect rates and amounts in your budget narrative. If the applicant does not have a provisional or current Indirect Cost Rate Negotiated Agreement or it is expired and under review, the applicant may submit supporting documents to show the applicant's cognizant federal agency is reviewing the request. If a current indirect cost rate agreement is not provided at the time a grantee is awarded, those funds will be frozen until a provisional or final indirect cost rate agreement is provided. This applies to the fringe rate if the rate is based on the grantee's indirect cost rate agreement. Indirect cost requests will be eliminated from all applications that do not provide the required documentation.

All calculations should be rounded to the nearest whole dollar. Once the budget for your application has been completed, a budget summary page will reflect the total amounts requested in each category and the total project costs.

FREQUENTLY ASKED QUESTIONS

1. *We want to request a desktop computer or laptop, which category do we put the computer under?*

Generally the cost of a computer is under \$5,000; therefore it should be captured under "supplies." Please note if supplies are to be used for concurrent projects, then this should be captured in your indirect charges or only charge the percentage allocated to this project (for example, if a laptop is being purchased for a research assistant who works 40 percent of their time on this project, then only charge 40 percent of the laptop cost to this project).

2. *We have consultant travel, does this fall under "travel/training" or "contracts/consultants"?*

Consultant travel is categorized under "contract/consultants," however it should follow the same format as outlined under the "travel/training" section of the budget (see page XX).

3. *What happens if I have an expired indirect cost rate?*

Indirect cost rates are federally negotiated and approved rates that are based on audited and documented expenses that are approved to be included within an indirect cost rate. It is important that your agency carefully track and update its indirect cost rate during the COPS grant award period.

If your agency submits an expired indirect cost rate agreement at the time of application, your agency will be unable to recover federal funds for indirect costs until the COPS Office receives a current indirect cost rate agreement covering the award period. A special condition may be added to the award prohibiting the obligation, expenditure, or drawdown of funds reimbursement for indirect costs until an indirect cost rate has been approved by your cognizant federal agency and submitted to the COPS Office.

4. *The director of our organization will be reviewing and approving all deliverables before we submit them to the COPS Office, does this fall under "personnel" or "indirect"?*

If the director of your organization is directly involved in the project, charge this directly to the award as "personnel," however if the director provides solely oversight, this should be charged under "indirect."

5. *What publishing services does the COPS Office provide?*

The COPS Office provides editorial, graphic design, and printing of printed and electronic deliverables. This includes training curricula, publications, manuals, and fact sheets. Photocopying, training manuals, DVDs, CDs, and other materials are not provided by the COPS Office.

6. *My organization does not have an indirect cost rate agreement, how do we obtain one?*

If your organization does not have a previously established indirect cost rate, your agency can obtain a rate by contacting your agency's cognizant federal agency, which will review all documentation and approve a rate for the covered time period. For more information on the submission and documentation of indirect cost rate proposals, please refer to the applicable OMB Costs Principles for your entity.

To identify your cognizant federal agency, please visit:

- For units of state and local government: U.S. Department of Health and Human Services, <https://rates.psc.gov/fms/dca/s&l1.html>
- For tribal governments: U.S. Department of Interior, www.doi.gov/ibc/services/Indirect_Cost_Services/index.cfm
- For nonprofit organizations: U.S. Department of Health and Human Services, <https://rates.psc.gov/>
- For educational institutions: <https://rates.psc.gov/fms/dca/c&u.html>

7. *What restrictions are included in conferences and training?*

Award funds cannot be used to purchase food and/or beverages for any conference or similar event except in very limited circumstances with prior approval. A conference is defined as a meeting, retreat, seminar, symposium, event, or training activity.

8. *Can my organization charge participant support costs within indirect costs?*

For Non-Profit Organizations, in accordance with 2 C.F.R. part 230, Appendix A, D(2)(C), participant support costs are generally excluded from the distribution base. *"The distribution base may be total direct costs (excluding capital expenditures and other distorting items, such as major subcontracts or subgrants), direct salaries and wages, or other base which results in an equitable distribution. The distribution base shall generally exclude participant support costs as defined in paragraph 32 of Appendix B. {in 2 C.F.R. 230}"* Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia, or training projects. This exclusion applies to the entirety of any subcontracts for the lodging and travel of conference participants or trainees (but not employees).

Please note that only employees of the Non-Profit Organization are excluded from the definition of participant support costs. Costs related to contractors of the Non-Profit Organization who are acting in the capacity of a "Conference Trainer/Instructor/Presenter/Facilitator" are considered participant support costs. For more information on allowable costs for conferences and training, please follow this link: www.ojp.gov/funding/confcost.htm.

APPENDIXES

Appendix A: Sole Source Justification

U.S. Department of Justice
Office of Community Oriented Policing Services



Fact Sheet

www.cops.usdoj.gov

Sole Source Justification

What is "sole source" procurement?

Sole source, or procurement by noncompetitive proposals, is procurement through solicitation of a proposal from only one source, or after solicitation of a number of sources, competition is determined inadequate. Sole source procurements must adhere to the standards set forth in the uniform administrative requirements, 28 CFR § 66.36 or 28 CFR § 70 (as applicable).

When is sole source approval required by the COPS Office?

A grant recipient must request written approval from the COPS Office for sole source procurements in excess of \$100,000 prior to purchasing equipment, technology or services, obligating funding for a contract, or entering into a contract with grant funds. For the purchase of equipment, technology or services under a COPS grant award, grant recipients must follow their own policies and procedures on procurement as long as those requirements conform to the federal procurement requirements set forth in 28 CFR § 66.36 and 28 CFR § 70 (as applicable). A sole source justification request should be submitted if a grant recipient determines that the award of a contract through a competitive process is infeasible, and if one or more of the following circumstances apply:

1. the item/service is available only from one source;
2. the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation; or
3. competition is determined inadequate after solicitation of a number of sources.

What documentation must be submitted to the COPS Office for sole source approval?

Requests for sole source procurements of equipment, technology, or services in excess of \$100,000 must be submitted to the COPS Office in writing certifying that the award of the contract through full and open competition is infeasible.

The outline below may be helpful in preparing your agency's sole source request and ensuring that all of the necessary information is included:

Letterhead – The sole source request must be signed and submitted on grantee department letterhead, and include the agency ORI and the grant number for which the approval is being sought. The request should also include the following information:

Section I – A brief description of the project, the amount to be designated for the sole source procurement, and the purpose of the contract.

"A grant recipient must request written approval from the COPS Office for sole source procurements in excess of \$100,000 prior to purchasing equipment, technology or services, obligating funding for a contract, or entering into a contract with grant funds."

Section II – a) An explanation as to why it is necessary to contract in a noncompetitive manner, and b) Which *one (or more)* of the three circumstances identified below applies to the procurement transaction. Include supporting information as identified below under the applicable section(s).

1. If the item/service is available only from one source, please include the following:
 - » Uniqueness of items/services to be procured from the proposed contractor or vendor (compatibility, patent issues, etc.)
 - » How the agency determined that the item/service is only available from one source (e.g., market survey results, independent agency research, patented or proprietary system, etc.)
 - » Explanation of need for contractor’s expertise linked to the current project (e.g., knowledge of project management, responsiveness, experience of contractor personnel, prior work on earlier phases of project, etc.)
 - » Any additional information that would support the case
2. If the public exigency or emergency for the requirement will not permit a delay resulting from competitive solicitation, please include the following:
 - » When the contractual coverage is required by your department and why
 - » Impact on project if deadline/dates are not met
 - » How long it would take an alternate contractor to reach the same required level of competence (equate to dollar amounts, if desired)
 - » Any additional information that would support the case
3. If competition is determined inadequate after solicitation of a number of sources, please include the following:
 - » Results of a market survey to determine competition availability; if no survey is conducted, please explain why not
 - » Any additional information that would support the case

Section III – A declaration that this action/choice is in the best interest of the agency.

Failure to provide all of the necessary information will delay the processing of your request. Your agency will be contacted if any of the identified information is missing or if additional supporting information is required. If the COPS Office determines that the request does not meet the standards set forth above, the request will be denied.

Please be advised that conflicts of interest are prohibited under the procurement standards set forth in 28 CFR Part 66 and 28 CFR Part 70.

If you have any questions regarding the federal requirements that guide procurement procedures, please contact your Grant Program Specialist or program point of contact at 800.421.6770.

Contact COPS

For more information about COPS Office programs and resources, please call the COPS Office Response Center at 800.421.6770, or visit COPS Online at www.cops.usdoj.gov.

Appendix B. Program Income

U.S. Department of Justice
Office of Community Oriented Policing Services



Fact Sheet

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Program Income

Program income means any gross income received by the recipient or subrecipient that is directly generated by an award-supported activity or earned as a result of a federal award during the award period.

What is program income?

Program income is defined in 28 C.F.R. Parts 66 and 70, governing the uniform administrative requirements for grants and cooperative agreements. Program income means any gross income received by the recipient or subrecipient that is directly generated by an award-supported activity or earned as a result of a federal award during the award period. Program income includes, but is not limited to, income from conference registration fees, exhibit booths, website advertisements, services performed, the use or rental of real or personal property acquired under federally funded projects, the sale of commodities or items fabricated under an award, or license fees and royalties on patents and copyrights developed by the recipient or subrecipient.

How do I know if my COPS award generates program income?

Contact your COPS Program Manager to determine if revenue generated from your COPS Office award constitutes program income. They will help you assess whether or not the income is generated as a result of the award-supported activity.

How can program income be used?

Program income must be used in accordance with the standards set forth in 28 C.F.R. §66.25 and 28 C.F.R. §70.24, as applicable. Program income generated from an award can be:

1. Added to funds already committed to the project to further eligible project or program objectives
2. Used to finance the non-federal share of the project or program
3. Deducted from total allowable project costs to determine net allowable costs on which the federal share is based

Unless otherwise specified in the award terms and conditions, or approved by the COPS Office, earned program income will be used to reduce the federal share (Option 3). For example, if you were awarded \$100,000 in COPS funding to support a conference and earned \$5,000 in program income from registration fees generated from that conference, an excess of \$5,000 would remain in award funds at the completion of the project. The \$5,000 would be returned to the federal government, thereby deducting costs from the federal share of the project. In some cases, grantees can work with their COPS Program Manager to identify additional project-related allowable costs that could be supported by the remaining funding (Option 1).

Earned program income can be spent only on allowable project costs incurred during the award period. Program income cannot be commingled with other awards and cannot be used for purposes outside of the scope of the award that generated the income.

There are a variety of circumstances that can affect how program income is treated. If you anticipate generating program income, please contact your COPS Program Manager and/or COPS State Accountant for guidance.

Contact COPS

If you have any questions regarding the federal requirements on program income, please contact your COPS Program Manager and/or COPS State Accountant.

For more information about the COPS Office programs and resources, please contact the COPS Office Response Center at 800.421.6770 or via email at AskCopsRC@usdoj.gov, or visit COPS Online at www.cops.usdoj.gov.

How should recipients report program income?

You are required to report gross program income earned and expended on the Federal Financial Report (SF-425) submitted each quarter. How you complete the report will depend on when you earn and spend the program income, as well as the status of your award. Using the example above where you earned \$5,000 from registration fees, you would enter the total amount of program income earned (\$5,000) on 10l and the total amount of program income expended on line 10m.¹

Program Income: Do not complete this section if reporting on multiple awards.		
10l	Total Federal Program Income Earned	Enter the amount of federal program income earned. Do not report any program income here that is being allocated as part of the recipient's cost sharing amount included in Line10j.
10m	Program Income Expended in Accordance With the Deduction Alternative	Enter the amount of program income that was used to reduce the Federal share of the total project costs.

Program income earned and expended must be reported on a **cumulative** basis. You must **manually enter** these cumulative amounts each quarter, as the SF-425 form does not automatically calculate these amounts. For example, if \$5,000 in program income was earned in the 1st Quarter and \$10,000 was earned in the 2nd Quarter, you would add those amounts together and enter \$15,000 as *earned* on line 10l of the 2nd Quarter's SF-425. Similarly, if you spent \$5,000 in program income in the 1st Quarter and an additional \$10,000 of program income in the 2nd Quarter, you would enter \$15,000 as *expended* on line 10m of the 2nd Quarter's SF-425.

Your agency should maintain detailed records that identify the specific project activity source (e.g., conference registration fees) and amount of all program income generated, in the event of an audit or other grant compliance review. Line 12 ("Remarks:") on the SF-425 can be useful to provide narrative explanations supporting the financial information entered.

Can recipients keep program income as a "cash reserve" for future project costs?

NO. Funding recipients should expend earned program income before drawing down award funds, 28 CFR §66.21 and §70.22.

How much time is available to spend program income?

Allowable project expenses can be supported by earned program income only if the funds are encumbered during the open award performance period. Funds cannot be drawn down for expenses that are incurred after the award end-date.

Avoid retaining earned program income for extended periods of time. If you anticipate a significant lapse of time occurring between earning and spending program income, contact your COPS Program Manager. Excess program income should be deposited back into your COPS grant account in order to reduce your federal share.² These funds can remain available for later use on allowable project expenditures incurred before grant expiration.

If you anticipate having unused program income remaining toward the end of the award period, you may submit a request to your COPS Program Manager for a no-cost extension to provide additional time for your agency to spend program income. No-cost extension requests must be submitted prior to the award end date.

Unused program income remaining 90 days after the award end date must be returned to the COPS Office. Please contact your COPS Program Manager for guidance on how to return excess program income and complete your SF-425.

In the event that you earn interest on program income, please contact your COPS Program Manager and/or COPS State Accountant for guidance on how to complete your SF-425 to account for interest earned.

IMPORTANT: Awards must be open and active in order to incur expenses paid for by program income.

1. For examples of when lines 10n and 10o on the SF-425 are used, contact your COPS Program Manager.
 2. It can take up to 6 weeks for the returned program income to appear in your COPS account.

Appendix C. Consultant/Contractor Rate Information

U.S. Department of Justice
Office of Community Oriented Policing Services



Fact Sheet

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Consultant/Contractor Rate Information

Grantee Guidelines on Consultant Rate Approval Requests

"Compensation for individual consultant services procured under a cops grant must be reasonable, allocable, and consistent with that paid for similar services in the marketplace. The grantee agency must provide justification for any consultant rate in excess of \$550 per day and receive COPS Office approval of that rate before drawing down grant funds."

Compensation for individual consultant services procured under a COPS grant must be reasonable and allocable in accordance with 2 C.F.R. Part 225 (OMB Circular A-87) (Cost Principles for State, Local, and Indian Tribal Governments), 2 C.F.R. 220 (OMB Circular A-21) (Cost Principles for Educational Institutions), 2 C.F.R. Part 230 (OMB Circular A-122) (Cost Principles for Non-Profit Organizations), and 48 C.F.R. Part 31.000, et seq. (FAR 31.2) (Cost Principles for Commercial Organizations), as applicable, and consistent with that paid for similar services in the marketplace.

Unless otherwise approved by the COPS Office, approved consultant rates will be based on the salary a consultant receives from his or her primary employer, as applicable, up to \$550 per day. If individuals receive fringe benefits from their primary employer, such fringe benefit costs should not be included in the calculation of consultant rates. For consultant or contractor rates which exceed \$550 per day, the COPS Office requires written justification if the consultants or contractors are hired through a noncompetitive bidding process. **The grantee agency must provide justification for any such rate in excess of \$550 per day and receive COPS Office approval of that rate before drawing down grant funds.** Any jurisdiction that does not provide sufficient written justification will be limited to \$550 per day for each consultant and/or contractor. Please note that this does not mean that the rate can or should be \$550 for all consultants.

Note: Consultant and contractor daily rates do not include travel or subsistence, but may include preparation, evaluation, and travel time.

Guidance for requesting a consultant rate based on employment

- a. **Consultants Associated with Educational Institutions (including state-run educational institutions).** If representing the academic institution, the maximum rate of compensation that will be allowed is the consultant's academic salary projected for 12 months, divided by 260. These individuals normally receive fringe benefits which include sick leave for a full 12-month period, even though they may only work 9 months per year in their academic positions. This does not apply to individuals providing consultant work outside of their academic commitments. In such cases, the rate of compensation will be based on reasonable cost principles and requires documentation supporting the requested rate.

- b. Consultants Employed by State and Local Government.** Compensation for these consultants will be allowed only when the unit of government will not provide these services without cost. If a state or local government employee is providing services under a federal grant and is representing his or her agency without pay from its respective unit of government, the rate of compensation is not to exceed the daily salary rate for the employee paid by the unit of government. If the state or local government employee is providing services under a federal grant and is not representing his or her agency, the rate of compensation is based on the necessary and reasonable cost principles. Please note that under the nonsupplanting requirement of the COPS statute, COPS grant funds may not be used to supplant (replace) local funding which otherwise would have been spent on consultants employed by state and/or local government. The statute bars federal funding of existing consultants and also of newly hired consultants that a community is committed to fund in the absence of a COPS grant.
- c. Consultants Employed by Commercial and Not-For-Profit Organizations.** These organizations are normally subject to competitive bidding procedures. Thus, if they have been selected through competitive bidding, they are not subject to the \$550 per day maximum compensation threshold. In those cases where an individual has authority to consult without employer involvement, the rate of compensation should not exceed the individual's daily salary rate paid by his or her employer, subject to the \$550 limitation.

To request approval of a consultant rate in excess of \$550 per day, please submit the signed request on grantee department letterhead, and include the agency ORI and the grant number for which the approval is being sought.

Please include the following:

- » Description of the services to be provided by the consultant(s) or contractor(s), including the following:
 - The number of days and hours to be worked by each consultant/contractor
 - The daily rate of each consultant/contractor that exceeds \$550/day (indicate fringe benefits, if applicable)
- » A resume or curriculum vitae (CV) for each consultant or contracted individual whose rate exceeds \$550 per day.
- » Documented prior instances when a similar rate has been charged by or paid to the consultant/contractor.
- » If the consultant is not self-employed and has a primary employer, documentation showing that the requested daily rate is proportionate to the consultant's regular salary (e.g. pay stubs, letter from employer, etc.).
- » **Optional:** You may submit other important information about the consultant(s) or contractor(s) at this time, such as letters of reference; lists of any relevant publications, papers, or honors; advanced experience as a practitioner or academic in the subject area; advanced training relating to the focus of your project; and/or any unique circumstances which you feel should be considered as the COPS Office reviews your proposed consultant/contractor rates.

To request approval of a consultant/contractor rate in excess of \$550 per day, please return this information to your Grant Program Specialist or project manager as soon as possible to expedite the consultant/contractor rate review process.

Contact COPS

For more information about COPS Office programs and resources, please call the COPS Office Response Center at 800.421.6770, or visit COPS Online at www.cops.usdoj.gov.

Appendix D. Conference Reporting Requirements

The Office of Justice Programs is issuing this clarification on the application of indirect costs rates to subcontracts/subawards, and to participant support costs, as these relate to conferences, trainings and meetings subject to the **Policy and Guidance for Conference Approval, Planning, and Reporting** (www.ojp.gov/funding/confcost.htm). Cooperative agreement recipients should pay particular attention to the two areas listed below to ensure that the application of your indirect cost rate is in compliance with the existing requirements of the government-wide grant rules set out in the Office of Management and Budget (OMB) Circulars and regulations:

1. **\$25,000 Subcontract/Subaward Limitation:** For Educational Institutions and Non-Profit Organizations, indirect cost rates negotiated on the basis of modified total direct costs may only be applied against the first \$25,000 of any subcontract or subaward under the agreement. This limitation must be applied to all conference related subcontracts and subawards, including those with hotels and travel agents. (2 C.F.R. part 220 (Educational Institutions, formerly Circular A-21), Appendix A, G(2) and 2 C.F.R. part 230 (Non-Profit Organizations, formerly Circular A-122), Appendix A, D(3)(f))
2. **Participant Support Costs:** For Non-Profit Organizations, in accordance with 2 C.F.R. part 230, Appendix A, D(2)(C), participant support costs are generally excluded from the distribution base. *"The distribution base may be total direct costs (excluding capital expenditures and other distorting items, such as major subcontracts or subgrants), direct salaries and wages, or other base which results in an equitable distribution. The distribution base shall generally exclude participant support costs as defined in paragraph 32 of Appendix B. {in 2 CFR 230}"* Participant support costs are direct costs for items such as stipends or subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with meetings, conferences, symposia, or training projects. This exclusion applies to the *entirety* of any subcontracts for the lodging and travel of conference participants or trainees (but not employees).

Please note that only employees of a Non-Profit Organization are excluded from the definition of participant support costs. Costs related to contractors of a Non-Profit Organization who are acting in the capacity of a "Conference Trainer/Instructor/Presenter/Facilitator" are considered participant support costs.

Appendix E. Indirect Cost Rate

U.S. Department of Justice
Office of Community Oriented Policing Services



Fact Sheet

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Indirect Cost Rate

An Indirect Cost Rate is the percentage of an agency's indirect costs to its direct cost base and is a standardized method of charging individual programs for their share of indirect costs.

COPS Office Grant Programs

If a COPS Office applicant is requesting indirect costs under a program that allows those costs, a copy of the applicant's most current, signed, federally-approved Negotiated Indirect Cost Rate Agreement must be included with the application. If the rate agreement is expired at the time of application, the applicant must submit a copy of the indirect cost rate proposal that was sent to the cognizant federal agency to demonstrate that the rate is under review. If your agency is awarded indirect costs under the COPS award, your agency may not draw down funding for indirect costs until the approved rate agreement is submitted to the COPS Office. Additionally, if the rate agreement expires or changes during the award period, the grantee must inform the COPS Office and submit the new rate agreement to the COPS Office.

What are indirect costs?

Indirect Costs are costs that are incurred for common or joint purposes and are not readily assignable to a particular project, but are necessary to the operation of the agency and the performance of the project. Examples of indirect costs include those incurred for facility operation and maintenance, depreciation, and administrative salaries. Indirect Costs must adhere to the standards set forth in the applicable Office of Management and Budget (OMB) Costs Principles for your entity, 2 C.F.R. Part 225, Appendix E (state, local, and Indian tribal governments), 2 C.F.R. Part 230, Appendix A (nonprofit organizations), or 2 C.F.R. Part 220, Appendix A (educational institutions).

What is an indirect cost rate?

An indirect cost rate is the percentage of an agency's indirect costs to its direct cost base and is a standardized method of charging individual programs for their share of indirect costs.

There are several types of indirect costs rates:

1. **PROVISIONAL RATE** is a temporary rate applicable to a specified time period which is used for funding, interim reimbursement, and reporting of indirect costs pending establishment of a final rate for that period.
2. **PREDETERMINED RATE** is applicable to a specified current or future period and is not subject to adjustment. A predetermined rate may be used where there is reasonable assurance that the rate is not likely to exceed a rate based on the agency's actual costs. Predetermined rates may not be used by governmental units that have not submitted and negotiated the rate with the cognizant federal agency.
3. **FIXED RATE** has the same characteristics as a predetermined rate except that the difference between estimated costs and actual allowable costs of the covered period is carried forward as an adjustment for a future period.
4. **FINAL RATE** is applicable to a specified past period that is based on the actual costs of the period. A final rate is not subject to adjustment.

How does an agency establish an indirect cost rate?

If an applicant does not have a previously established indirect cost rate, your agency can obtain a rate by contacting your agency's cognizant federal agency, which will review all documentation and approve a rate for the covered time period. For more information on the submission and documentation of indirect cost rate proposals, please refer to the applicable OMB Costs Principles for your entity, 2 C.F.R. Part 225, Appendix E (state, local, and Indian tribal governments), 2 C.F.R. Part 230, Appendix A (nonprofit organizations), or 2 C.F.R. Part 220, Appendix A (educational institutions).

To identify your cognizant federal agency, please visit:

For units of state and local government: U.S. Department of Health and Human Services, <http://rates.psc.gov/fms/dca/s&l1.html>

For tribal governments: U.S. Department of Interior, www.aqd.nbc.gov/Services/tribal.aspx

For Nonprofit organizations: U.S. Department of Health and Human Services, <http://rates.psc.gov/fms/dca/orgmenu.html> and <http://rates.psc.gov/fms/dca/np1.html>

For educational institutions: U.S. Department of Health and Human Services, <http://rates.psc.gov/fms/dca/c&u.html>

What should an agency do if its indirect cost rate expires or changes during the award period?

If your agency's approved indirect cost rate agreement expires during the award period, a current approved rate agreement must be obtained by the cognizant federal agency and submitted to the COPS Office. The agency must advise the COPS Office, in writing, of any changes to its approved indirect cost rate during the award period and, if necessary, request a budget modification that reflects the rate change. Please contact your COPS Grant Program Specialist for help determining when a budget modification is necessary.

If the agency experiences an increase or a decrease in their indirect cost rate, it should submit the new rate to the COPS Office **within 30 days** of the change.

What documentation is required by the COPS Office if an agency's indirect cost rate changes?

If an agency's indirect cost rate changes, it is required to submit a plan in writing to the COPS Office for approval. The agency must request a modification to its indirect cost rate by submitting a letter on official letterhead that includes:

- ORI number
- Grant number
- A copy of the new approved rate

Can an agency reprogram indirect costs to direct costs?

Reprogramming requests of indirect costs to direct costs are administered through the budget modification process for the specific COPS award that your agency received. Please contact your COPS Grant Program Specialist or COPS Program Manager to obtain Modified Budget Detail Worksheets and guidance on any additional requirements that may apply to your modification request. The COPS Office will then evaluate your request and notify you, in writing, of our decision.

Please be advised that if your agency's revised indirect cost rate is lower than the rate approved at the time of award and a formal budget modification was not approved, excess indirect cost rate funds should not be drawn down and will be deobligated at closeout.

What should an agency expect at the end of the grant period regarding indirect costs rate?

Before the COPS Office officially closes out your agency's award, changes between your approved final indirect cost rate and approved provisional indirect cost rate must be reconciled. If your agency drew down excess funding for indirect costs as a result of the reconciliation, your agency must promptly return the overpayment and submit a revised Federal Financial Report (SF-425) to the COPS Office.

Other Important Factors

- To support the indirect cost rate agreement, awardees are responsible for ensuring independent audits are conducted in accordance with existing federal auditing and reporting standards set forth in OMB Circulars A-133 and A-122. A copy of the audit report must be submitted to the cognizant federal agency to support the indirect cost rate agreement.
- In accordance with ensuring proper award management and use of funding awarded through the COPS Office, awardees may be selected for a site visit, an Office-Based Grant Review (OBGR), or may need to address an alleged noncompliance complaint during a compliance review by the COPS Grant Monitoring Division. Therefore, awardees must adhere to proper accounting practices and recordkeeping to ensure all necessary documentation is available for review, if requested by the COPS Office. Noncompliance may result in the repayment of misused funds, suspension of funds, or other remedial actions available by law until the noncompliance is resolved.



COPS★

Community Oriented Policing Services
U.S. Department of Justice

U.S. Department of Justice
Office of Community Oriented Policing Services
145 N Street, N.E.
Washington, DC 20530

To obtain details on COPS programs, call the COPS Office Response Center at 800.421.6770.
Visit COPS Online at www.cops.usdoj.gov.