



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.