STATE OF ILLINOIS

GRANT ACCOUNTABILITY AND TRANSPARENCY ACT

INDIRECT COST RATE ELECTION PROCESS MANUAL
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Executive Summary

Illinois utilizes a Centralized Indirect Cost Rate (ICR) System maintained by the Grant Accountability and Transparency Unit (GATU) of the Governor’s Office of Management and Budget. This system is required to be used by all grantees/subrecipients to make an annual indirect cost rate election or negotiate a rate with the State of Illinois pursuant to Federal Uniform Guidance. Illinois received permission from the federal government to centralize the negotiation of indirect cost rates in accordance with the Federal Uniform Guidance 2 CFR 200.332 (4)(i). This process allows grantees/subrecipients of the State of Illinois to make one indirect cost rate election or negotiation that will be accepted by all state grant making agencies subject to statutory requirements that limit the allowability of costs (2 CFR 200.408). The centralized process reduces the duplication of effort in requiring the grantee/subrecipient to make an election or negotiate separate indirect cost rates with each grant making agency.

The State of Illinois Centralized Indirect Cost Rate System is the system of record for all grantee/subrecipient indirect cost rate elections and approvals used for reimbursement on State of Illinois and federal pass-through awards. If no indirect cost rate election record exists for a particular grantee/subrecipient within the Centralized Indirect Cost Rate System, no indirect cost reimbursement is allowed.

This manual provides information for the GATA Centralized Indirect Cost Rate process for eligible State of Illinois grantees/subrecipients including:

1. Technical assistance on Indirect Cost Rate elections and requirements;
2. Centralized Indirect Cost Rate System process flows and requirements;
3. The roles and responsibilities of the stakeholders throughout the indirect cost rate election and review process. Stakeholders include:

   • The Grantee or Subrecipient Staff;
   • The State Cognizant Agency;
   • The Grant Accountability and Transparency Unit (GATU);
   • The Indirect Cost Rate Review Negotiator;

Authoritative Sources

- Grant Accountability and Transparency Act (GATA), 30 ILCS 708/1 {GATA}
- Illinois Administrative Code Title 44, Section 7000.420 Centralized Indirect Cost Rate Negotiation
- Title 2 CFR Part 200, “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards,
  - “Subpart E, Cost Principles,
  - §200.332 Requirements for pass-through entities,
  - Appendix III – Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs)
  - Appendix IV – Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations,
  - Appendix V – State/Local Government wide Central Service Cost Allocation Plans,
  - Appendix VII – State and Local Government and Indian Tribe Indirect Cost Proposals.
Objectives

Objectives of centralizing the indirect cost rate election and negotiation process are:

1. Remove the duplication of effort by each of the State of Illinois awarding agencies and their respective grantees/subrecipients that receive grants from multiple agencies;
2. Require the grantee/subrecipient to elect or develop an indirect cost rate that is required to be accepted by all State of Illinois agencies for use on all State of Illinois awards, subject to statutory limitations.
3. Designate one State of Illinois agency (Cognizant) to be responsible for the oversight and final acceptance of an indirect cost rate proposal or election.
4. Ensure all indirect cost rate proposals and supporting documentation are prepared to substantiate a grantee/subrecipient’s request for the establishment of an indirect cost rate as described in 2 CFR 200 Appendix III through Appendix VII.
5. Provide technical assistance to grantee/subrecipients, state agency indirect cost rate subject matter experts and Illinois cognizant agencies.
6. Automate the indirect cost rate proposal, election, monitoring and negotiation and acceptance process.

In adopting the GATA guiding principles, the indirect cost rate review process and automation will be reviewed at least annually to identify any necessary changes and improvements to enhance the process and to ensure the goals and objectives continue to be met.

Types of Indirect Cost Rate Elections

On an annual basis, grantees/subrecipients are required to make an indirect cost rate election through the State of Illinois Grantee Portal. The requirements for the centralized indirect cost rate process includes the election or negotiation of the following indirect cost rate types as specified in the Federal Uniform Guidance:

1. Waive the right to charge indirect costs to grant awards (Waive or No Rate);
2. De Minimis Rate of 10% of modified total direct costs (10% MTDC);
3. Negotiate an Indirect Cost Rate Agreement with the State of Illinois (State NICRA), except Local Governments, see below.
4. Utilize a current Federally Negotiated Indirect Cost Rate Agreement (Federal NICRA), except Local Governments, see below.
5. **Special Requirements for Local Governments**
   a. Local Governments are allowed to negotiate rates by individual departments or the entity as a whole. In order to negotiate an indirect cost rate by department, you must have a separate DUNS/Unique Entity Identifier and register separately in the GATA Grantee Portal, as we are required to treat you as an individual organization.
   b. Local Governments receiving more than $35 million in direct federal funding are required to negotiate their indirect cost rate with their federal cognizant agency.
   c. Local Governments receiving less than $35 million in direct federal funding are required to maintain indirect cost rate proposals (ICRPs) for federal audit purposes. These federally maintained proposals must be submitted to the State of Illinois to be reviewed and meet monitoring requirements. For purposes of the Centralized System, these federal ICRPs will be labelled as “State NICRAs” for local governments.
Centralized Indirect Cost Rate System Election Requirements

On an annual basis, grantees/subrecipients are required to make an indirect cost rate election through the State of Illinois Grantee Portal. The Centralized system will be made available to all State of Illinois grantees/subrecipients.

The State of Illinois NICRA negotiation process will not be available to grantees/subrecipients that do not have awards listed in the CSFA. If a grantee/subrecipient currently receives an award from the State of Illinois and is being prevented from making an indirect cost rate election in the centralized system, the grantee/subrecipient should contact its state awarding agency immediately to ensure awards have been entered into the CSFA in a timely manner. Once the state awarding agency enters the award in the CSFA, the grantee/subrecipient will be notified within 24 hours.

All indirect cost rate and elections will be based upon the grantee/subrecipient’s fiscal year end, not the state’s fiscal year end.

All elections and rates made in previous years in the previous system (CARS) will be transferred to the new Centralized System maintained through the Grantee & GATU portals.

NOTE: Grantees/subrecipients that fail to make an annual election in the Centralized Indirect Cost Rate System will not be allowed to charge indirect costs to grant awards. An exemption to this requirement is a multi-year federal NICRA.

If after receiving additional assistance from the cognizant agency and GATU, it is determined that a grantee/subrecipient lacks the capacity to prepare a proposal in compliance with federal cost principles then a final determination notification will be sent to the grantee/subrecipient. The final determination notification must include the reasons why the proposal did not meet the minimum requirements and recommendation that the grantee/subrecipient seek professional assistance in order to proceed with future state negotiated indirect cost rate proposals. The recommendation may also include alternatives to seeking a State negotiated rate, which may include the election of the 10% de minimis rate, if eligible.

Notifications

Automatic notifications will be sent via email through the ICR system to registered contacts within the Grantee Portal. These notifications will serve as reminders to all State of Illinois grantees/subrecipients that an ICR election is mandatory on an annual basis. Reminder notifications will be sent every thirty (30) days until the grantee/subrecipient election is completed.
Election Timeframes

New Elections
Grantees/subrecipients must submit an initial indirect cost proposal or rate election in the Centralized System upon notice of award, and no later than 90 days after the effective date of the state award.

Subsequent Elections
Grantees/subrecipients that have previously established a State NICRA or made an election, are required to submit a new indirect cost proposal or rate election within six (6) months after the grantee/subrecipient’s fiscal year end.

Federal NICRA Provisional Rate Elections
Certain federal agencies may provide provisional rates beyond a grantee/subrecipients current fiscal year end. Therefore, the Centralized ICR System will request a grantee/subrecipient with a current Federal NICRA to make a subsequent election immediately upon the receipt of a new federal NICRA.

EXAMPLE: Grantee/subrecipient has a Federal NICRA set to expire on 6/30/20 – A new election is required in the ICR System beginning 7/1/2020. If a new election is not made by date mentioned, the ICR System will provide notifications, via email, every thirty (30) days.

Effective Periods of Indirect Cost Rate Agreements

All rate elections and approved negotiated indirect cost rates will be based upon the grantee/subrecipient’s fiscal year. If state awards overlap a grantee/subrecipient’s fiscal year, it will be the responsibility of the grantee/subrecipient to apply the most recent negotiated indirect cost rate to the awards.

Example:
Grantee/subrecipient ABC has an 11/30 fiscal year end (FYE) and has elected the 10% De Minimis Rate in subsequent fiscal years with the State of Illinois. On 7/1/19 the grantee/subrecipient elects to negotiate an indirect cost rate with the State of Illinois. The grantee/subrecipient submits an ICRP for review on 9/1/19. The grantee/subrecipient may continue using the 10% De Minimis rate until the State NICRA is finalized.

If a grantee/subrecipient previously elected the 10% De Minimis Rate option for indirect cost reimbursement and subsequently elects to negotiate a State of Illinois indirect cost rate, the 10% De Minimis Rate election will remain valid until the State NICRA is approved and finalized.
If the rates are finalized during the period of performance, the newly negotiated rate will only apply to the extent funds are available. The negotiated indirect cost rates are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available.

**Example:**
Grantee/subrecipient ABC has an 11/30 fiscal year end (FYE) and has elected the 10% De Minimis Rate in subsequent fiscal years with the State of Illinois. On 7/1/19 the grantee/subrecipient elects to negotiate an indirect cost rate with the State of Illinois. The grantee/subrecipient submits an ICRP for review on 9/1/19. The grantee/subrecipient may continue using the 10% De Minimis rate until the State NICRA is finalized. Once the State NICRA is finalized, the grantee may use this rate immediately on new awards. This use is subject to State Agency approval and to the extent funds are available. If funds are not available, the grantee may continue to use the 10% De Minimis rate.

How to Make an Indirect Cost Rate Election in the Centralized ICR System:

**Waive (No Rate) Election:**
How to “waive” indirect cost rate and reimbursement rights in the Centralized Indirect Cost Rate System

1. Grantee/subrecipient enters the Grantee Portal
2. Grantee/subrecipient goes to the ICR section
3. Grantee/subrecipient selects “make election” option
4. Grantee/subrecipient selects the “Waive” option
   a. For more information on what selecting the “waive” option entails, select “More Info”
5. The grantee/subrecipient will select the best explanation that describes why they have chosen to waive indirect cost reimbursement. If the options listed do not apply, the grantee/subrecipient will have the opportunity to provide a brief statement within the text box.

6. Next, the grantee/subrecipient will complete the required certifications and hit submit.

7. This election process will generate an automatic approval within the centralized system, no further action is required by the grantee/subrecipient or their state cognizant agency.

8. This will complete the “waive” or “no rate” election process for the grantee/subrecipient.
a. Confirmation email to all ICR registrants (whomever is checked for Indirect Cost notifications)

Your organization’s FY 2020 indirect cost rate election has been made:

<table>
<thead>
<tr>
<th>ICR Election</th>
<th>Waive</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>Waive / Complete</td>
</tr>
<tr>
<td>Your organization has elected to waive indirect cost reimbursements. This election will remain in effect in perpetuity unless another option is selected.</td>
<td></td>
</tr>
<tr>
<td>Effective Period</td>
<td>7/1/2019 - 6/30/2020</td>
</tr>
<tr>
<td>Submitted By</td>
<td><a href="mailto:Courtney.m.jackson@illinois.gov">Courtney.m.jackson@illinois.gov</a> on 4/5/2020 10:20:26 AM</td>
</tr>
<tr>
<td>ICR Primary Email</td>
<td><a href="mailto:Lrl.Boeker@illinois.gov">Lrl.Boeker@illinois.gov</a></td>
</tr>
<tr>
<td>Other Contacts</td>
<td>If other users besides the ICR Primary Email address would like to receive notifications, click the &quot;Manage Portal Access&quot; button then select the user to edit their notifications.</td>
</tr>
<tr>
<td>Completion Certificate</td>
<td>The certificate is being generated. This may take up to 30 minutes on business days.</td>
</tr>
</tbody>
</table>

9. The waive election will remain in effect in perpetuity unless another election option is selected.
10. The completed election data will automatically be stored within the centralized system and available for all State of Illinois agencies to view.
11. The grantee/subrecipient will have an option to “Print” a document memorializing their completed election within the centralized system for record purposes if desired. If the grantee/subrecipient does not select to “Print” a copy of the completed election, they may do so at any other time. The “print” function will generate a copy of the grantee/subrecipient’s most recent approved Indirect Cost Rate election. The following items will be memorialized on the “waive” election
   a. Organization name
   b. Date grantee/subrecipient completed the “waive” election
   c. Election will remain in place until the grantee/subrecipient chooses to change their election.
      i. NOTE: If the election is changed in the middle of an award period, the newly negotiated rate will only apply to the extent funds are available.
   d. Name of grantee/subrecipient representative that completed the election

De minimis (10%) Rate:

How to elect the De minimis (10%) rate in the Centralized Indirect Cost Rate System:

1. Grantee/subrecipient enters the Grantee Portal
2. Grantee/subrecipient goes to the ICR section
3. Grantee/subrecipient selects the “make election” option
4. Grantee/subrecipient selects the “De minimis rate” option
   a. For more information on what selecting the “De Minimis” option entails, select “More Info”
5. The grantee/subrecipient will select the best explanation that describes why they have chosen the De Minimis indirect cost reimbursement. If the options listed do not apply, the grantee/subrecipient will have the opportunity to provide a brief statement within the text box.

6. Grantee/subrecipient will complete the required certifications and hit submit.
7. This will complete the De Minimis election process for the grantee/subrecipient.
   a. Confirmation email to all ICR registrants (whomever is checked for Indirect Cost notifications).

    Your organization’s FY 2021 indirect cost rate election has been made:

    | ICR Election | De Minimis |
    |---------------|------------|
    | Status        | De Minimis / Complete |
    |               | Your organization has elected the de minimis indirect cost rate reimbursement. This election will remain in effect in perpetuity unless another option is selected. |
    | Effective Period | 7/1/2020 - 6/30/2021 |
    | Submitted By    | courtney.m.jackson@illinois.gov on 8/12/2020 1:51:43 PM |
    | ICR Primary Email | Lori.Baier@illinois.gov Change |
    | Other Contacts  | If other users besides the ICR Primary Email address would like to receive notifications, click the “Manage Portal Access” button then select the user to edit their notifications. |
    | Completion Certificate | The certificate is being generated. This may take up to 30 minutes on business days. |

For additional assistance with electing an indirect cost rate click here for the ICR manual. For more information on indirect cost rates in general please visit the SATA Resource Library by clicking here.

8. The De Minimis election will remain in effect in perpetuity unless another election option is selected.

9. The completed election data will automatically be stored within the centralized system and available for all State of Illinois agencies to view.
10. The grantee/subrecipient will have the option to print a document memorializing their completed election within the centralized system for record purposes, if desired. If the grantee/subrecipient does not select to “Print“ a copy of the completed election, they may do so at any other time. The “Print” function will generate a copy of the grantee/subrecipients most recent approved indirect cost rate election. The following items will be memorialized on the De Minimis election:
   a. Organization Name
   b. Date grantee/subrecipient completed the “De Minimis” election
   c. Election will remain in place until the grantee/subrecipient chooses to change their election.
      i. NOTE: If the election is changed in the middle of an award period, the newly negotiated rate will only apply to the extent funds are available.
   d. Rate and base.
   e. Name of grantee/subrecipient representative that completed the election

State of Illinois Negotiated Indirect Cost Rate Agreement (NICRA)
How to negotiate a State NICRA in the Centralized Indirect Cost Rate System:

1. Grantee/subrecipient enters the Grantee Portal
2. Grantee/subrecipient goes to the ICR section
3. Grantee/subrecipient selects the “Make Election” option
4. Grantee/subrecipient selects the “State NICRA” option
   a. For more information on what selecting the “State NICRA” option entails, select “More Info”
5. **Grantee/subrecipient must answer the following question:** *Does the grantee receive direct federal funding (Yes/No)*

   ![Grantee portal image](image)

   a. If YES, the organization does receive direct federal funding:
   
      i. Grantee/subrecipients that receive direct federal funding must negotiate a federal indirect cost rate with their federal cognizant agency.
   
      ii. A federal cognizant agency may “refuse” or “decline” to negotiate an indirect cost rate with a grantee/subrecipient that receives direct federal funding. In this scenario, to be eligible for a State NICRA, written federal cognizant agency federal refusal to negotiate communication must be uploaded.

         1. The federal refusal to negotiate documentation should contain the following:

            a. Name and Title of Federal Fiscal/Administrative personnel
            
            b. Federal Cognizant Agency Name
c. Rationale for the federal agency refusing to negotiate an indirect cost rate with the organization
d. Date of correspondence

2. The Negotiator will not proceed with State Negotiations until the correspondence is accepted

iii. After receiving and uploading the federal refusal to negotiate communication, the grantee/subrecipient will complete the required certifications and hit submit

1. The grantee/subrecipient has the option to elect the de minimis rate until the negotiation process is complete. This is an optional election. If the grantee/subrecipient does not elect this option, indirect costs cannot be claimed until the negotiation is finalized.

iv. If the grantee/subrecipient elects to use the De Minimis rate while the state rate is being negotiated, they will see the following optional De Minimis message on the confirmation page:
v. If the grantee/subrecipient does not elect to use the De Minimis rate while the state rate is being negotiated, they will see the following optional De Minimis message on their confirmation page:

vi. The Indirect Cost Rate Section of the Grantee Portal page will reflect the current status of the ICR election.

1. With the optional De Minimis rate selected
2. Without the optional De Minimis rate selected:

<table>
<thead>
<tr>
<th>TEST Indirect Cost Rates (ICR)</th>
<th>Election List</th>
<th>GATU:Reset</th>
</tr>
</thead>
<tbody>
<tr>
<td>View / Change</td>
<td>Current ICR Election: <strong>State rate in progress / Federal communication review</strong></td>
<td></td>
</tr>
<tr>
<td>Change Email</td>
<td>Primary ICR Address: <a href="mailto:Lori.Beeler@illinois.gov">Lori.Beeler@illinois.gov</a></td>
<td></td>
</tr>
<tr>
<td></td>
<td>The Grant Accountability and Transparency Unit (GATU) is reviewing the federal refusal communication.</td>
<td></td>
</tr>
<tr>
<td>Optional De Minimis Available.</td>
<td>Your organization may use the de minimis rate until you have a finalized negotiated rate.</td>
<td></td>
</tr>
<tr>
<td>Indirect Cost Rate Election Manual</td>
<td>For more information in indirect cost rates [click here].</td>
<td></td>
</tr>
</tbody>
</table>

vii. If the federal refusal to negotiate communication is rejected, the grantee/subrecipient will receive information on the denial via the Grantee Portal. An email will also be sent to all ICR registrants (whomever is checked for Indirect Cost notifications). The election status will reflect the following:

**Your organization's FY 2021 indirect cost rate election has been made:**

<table>
<thead>
<tr>
<th>ICR Election</th>
<th>State Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td><strong>State rate in progress / Federal communication rejected</strong></td>
</tr>
<tr>
<td>Reason</td>
<td>Missing name and title of Federal fiscal/administrative personnel</td>
</tr>
<tr>
<td></td>
<td>The Grant Accountability and Transparency Unit (GATU) has rejected the federal refusal communication you uploaded. You may upload a different file by clicking the 'Edit This Election' button or change your election by clicking the 'Make New Election' button.</td>
</tr>
<tr>
<td>Optional De Minimis</td>
<td>Yes. You may use the de minimis rate until your new rate is finalized.</td>
</tr>
<tr>
<td>Effective Period</td>
<td>7/1/2020 – 6/30/2021</td>
</tr>
<tr>
<td>Submitted By</td>
<td><a href="mailto:courtney.m.jackson@illinois.gov">courtney.m.jackson@illinois.gov</a> on 1/19/2021 3:26:05 PM</td>
</tr>
<tr>
<td>ICR Primary Email</td>
<td><a href="mailto:Lori.Beeler@illinois.gov">Lori.Beeler@illinois.gov</a> [Change]</td>
</tr>
<tr>
<td>Important</td>
<td>Some indirect cost rate actions are time sensitive. This email address needs to be active and monitored regularly by your organization.</td>
</tr>
<tr>
<td>Other Contacts</td>
<td>If other users besides the ICR Primary Email address would like to receive notifications, click the &quot;Manage Portal Access&quot; button then select the user to edit their notifications.</td>
</tr>
<tr>
<td>Uploaded Files:</td>
<td>Fed ICRP Refusal Form.pdf</td>
</tr>
</tbody>
</table>

For additional assistance with electing an indirect cost rate [click here for the ICR manual]. For more information on indirect cost rates in general please visit the [GATU Resource Library by clicking here].

viii. The Indirect Cost Rate Section of the Grantee Portal page will reflect the current status of the ICR election.
ix. If the federal refusal to negotiate communication is accepted, the grantee/subrecipient election status will reflect the following.

Your organization’s FY 2021 indirect cost rate election has been made:

<table>
<thead>
<tr>
<th>ICR Election</th>
<th>State Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>State rate in progress / Crowe to be notified</td>
</tr>
<tr>
<td></td>
<td>The state is currently contracted with Crowe LLP to negotiate indirect cost rates and they will be notified of your election. You will be contacted by email from Crowe as to your next steps. Please make sure your ICR Primary Email address account is active and being monitored.</td>
</tr>
<tr>
<td>Optional De Minimis</td>
<td>Yes. You may use the de minimis rate until your new rate is finalized.</td>
</tr>
<tr>
<td>Effective Period</td>
<td>7/1/2020 – 6/30/2021</td>
</tr>
<tr>
<td>Submitted By</td>
<td><a href="mailto:courtney.m.jackson@illinois.gov">courtney.m.jackson@illinois.gov</a> on 12/9/2020 9:21:54 AM</td>
</tr>
<tr>
<td>ICR Primary Email</td>
<td><a href="mailto:Lori.Beeler@illinois.gov">Lori.Beeler@illinois.gov</a></td>
</tr>
</tbody>
</table>

Other Contacts

If other users besides the ICR Primary Email address would like to receive notifications, click the “Manage Portal Access” button then select the user to edit their notifications.

Uploaded Files: M-20-26.pdf

For additional assistance with electing an indirect cost rate click here for the ICR manual.
For more information on indirect cost rates in general please visit the GATU Resource Library by clicking here.

x. The Indirect Cost Rate Section of the Grantee Portal page will reflect the current status of the ICR election.
b. If NO, the organization does not receive direct federal funding:
   i. The grantee/subrecipient will complete the required certifications.
   ii. The grantee/subrecipient has the option to elect the De Minimis Rate while the State NICRA is negotiated.
      1. This is an optional election. If the grantee/subrecipient does not elect this option, indirect costs cannot be claimed until the negotiation is finalized.

 iii. If the state awarding agency has entered the award into the GATA system at the time of election, the status will change to “State Rate in Progress/ Crowe to be notified”

 **ELECTION: State NICRA**  [More Information]

 Does your organization currently receive any direct federal funding?  

 **To certify this organization’s election, please confirm the following:**

 - [ ] I certify my organization is electing to negotiate an indirect cost rate with the State of Illinois.
 - [ ] I certify my organization does not receive direct federal funding.
 - [ ] I certify that I am a legal representative of this organization authorized to make this election.

 **☐ Use the temporary De Minimis rate while the state rate is being negotiated. (This is optional)**

 - **My Name:** [ ]
 - **My Title:** [ ]

 [Cancel] [Submit Election]

 **Your organization’s FY 2021 indirect cost rate election has been made:**

<table>
<thead>
<tr>
<th>ICR Election</th>
<th>State Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>State rate in progress / Crowe to be notified</td>
</tr>
<tr>
<td></td>
<td>The state is currently contracted with Crowe LLP to negotiate indirect cost rates and they will be notified of your election. You will be contacted by email from Crowe as to your next steps. Please make sure your &quot;ICR Primary Email&quot; address account is active and being monitored.</td>
</tr>
<tr>
<td>Optional De Minimis</td>
<td>Yes. You may use the de minimis rate until your new rate is finalized.</td>
</tr>
<tr>
<td>Effective Period</td>
<td>7/1/2020 - 6/30/2021</td>
</tr>
<tr>
<td>Submitted By</td>
<td><a href="mailto:courtney.m.jackson@illinois.gov">courtney.m.jackson@illinois.gov</a> on 12/10/2020 3:02:13 PM</td>
</tr>
<tr>
<td>ICR Primary Email</td>
<td><a href="mailto:Lori.Beeler@illinois.gov">Lori.Beeler@illinois.gov</a> [Change]</td>
</tr>
</tbody>
</table>

**Important:** Some indirect cost rate actions are time sensitive. This email address needs to be active and monitored regularly by your organization.

**Other Contacts**
- If other users besides the ICR Primary Email address would like to receive notifications, click the "Manage Portal Access" button then select the user to edit their notifications.

[Manage Portal Access]

For additional assistance with electing an indirect cost rate [click here for the ICR manual].
For more information on indirect cost rates in general please visit the GATA Resource Library by [clicking here].
iv. If the state awarding agency has not entered the award into the GATA system at the time of election, the status will change to “State Rate in Progress: Pending CSFA award”

1. From a drop down box, the grantee/subrecipient may select the state awarding agency which they believe they will be receiving an award from. This will send a notification to the awarding agency and the status will change to “State rate in progress: Agency Missing Award”.

Your organization’s FY 2021 indirect cost rate election has been made:

<table>
<thead>
<tr>
<th>ICR Election</th>
<th>State Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>State rate in progress : Pending CSFA award</strong></td>
</tr>
<tr>
<td>Status</td>
<td>There are no awards in the CSFA for your organization. Once a grant agreement is executed, an award will be added to the system and you will be sent an invitation to begin the negotiation process. If you have any questions please email your State of Illinois cognizant agency.</td>
</tr>
</tbody>
</table>

**Do you have an award?**
If you believe you have an award with a state agency in state fiscal years of 2020, 2021, or 2022 then select the agency and click the ‘Submit’ button.

<table>
<thead>
<tr>
<th>Optional De Minimis</th>
<th>Yes, you may use the de minimis rate until your new rate is finalized.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Effective Period</td>
<td>7/1/2020 - 6/30/2021</td>
</tr>
<tr>
<td>Submitted By</td>
<td><a href="mailto:courtney.m.jackson@illinois.gov">courtney.m.jackson@illinois.gov</a> on 12/11/2020 3:49:02 PM</td>
</tr>
<tr>
<td>ICR Primary Email</td>
<td><a href="mailto:Lorl.Beeler@illinois.gov">Lorl.Beeler@illinois.gov</a></td>
</tr>
<tr>
<td>Other Contacts</td>
<td>If other users besides the ICR Primary Email address would like to receive notifications, click the “Manage Portal Access” button then select the user to edit their notifications.</td>
</tr>
</tbody>
</table>

**State Rate**

**State rate in progress : Pending CSFA award**
There are no awards in the CSFA for your organization. Once a grant agreement is executed, an award will be added to the system and you will be sent an invitation to begin the negotiation process. If you have any questions please email your State of Illinois cognizant agency.

This will notify the selected state agency that you should have an award with them in the CSFA system.

Click OK to continue.

| courtney.m.jackson@illinois.gov on 4/13/2020 3:41:50 PM |
| Lorl.Beeler@illinois.gov | **Important:** Some indirect cost rate actions are time sensitive. This email address needs to be active and monitored regularly by your organization. |
6. This will complete the State NICRA election for the grantee/subrecipient in the Centralized Indirect Cost Rate System. The grantee/subrecipient will complete the State NICRA negotiation in the CARS system.
   a. Confirmation email to all ICR registrants (whomever is checked for Indirect Cost notifications).

7. The grantee/subrecipient will have an option to “Print” a document memorializing their completed election within the centralized system for record purposes if desired. If the grantee/subrecipient does not select to “Print” a copy of the completed election, they may do so at any other time. The “print” function will generate a copy of the grantee/subrecipient’s most recent approved Indirect Cost Rate election. The following items will be memorialized on the “State NICRA” election:
   a. Organization Name
   b. Date grantee/subrecipient completed State NICRA election
   c. Rate and Base
   d. Effective period
   e. Next required submission
   f. Name of the grantee/subrecipient representative that completed the election

8. Local Government
   a. Grantee/subrecipient must answer the following question: Does your organization currently receive any direct federal funding?

   i. If Yes:
1. If YES and the grantee/subrecipient receives less than $35 million in direct federal funding, the grantee/subrecipient must select the “State FRMI” option.

2. If YES and the grantee/subrecipient receives more than $35 million in direct federal funding, the grantee/subrecipient must select the “Federal NICRA” option.

3. If Yes, a federal cognizant agency may “refuse” or “decline” to negotiate an indirect cost rate with a grantee/subrecipient that receives direct federal funding. If the federal cognizant agency has refused or declined to negotiate, follow the steps in 5(a) above.

   ii. If No,

   1. The grantee/subrecipient will complete the required certifications and hit submit.
2. The grantee/subrecipient has the option to elect the De Minimis Rate while the State NICRA (Local Government) is negotiated.
   a. This is an optional election. If the grantee/subrecipient does not elect this option, indirect costs cannot be claimed until the negotiation is finalized.
3. If the state awarding agency has not entered the award into the GATA system at the time of election, the status will change to “State Rate in Progress: Pending CSFA award”
   a. From a drop down box, the grantee/subrecipient may select the state awarding agency which they believe they will be receiving an award from. This will send a notification to the awarding agency and the status will change to “State rate in progress: Agency Missing Award”.

---

Your organization’s FY 2021 indirect cost rate election has been made:

<table>
<thead>
<tr>
<th>ICR Election</th>
<th>State Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Status</td>
<td>State rate in progress: Pending CSFA award</td>
</tr>
<tr>
<td></td>
<td>There are no awards in the CSFA for your organization. Once a grant agreement is executed, an award will be added to the system and you will be sent an invitation to begin the negotiation process. If you have any questions please email your State of Illinois cognizant agency.</td>
</tr>
</tbody>
</table>

**Do you have an award?**
If you believe you have an award with a state agency in state fiscal years of 2020, 2021, or 2022 then select the agency and click the ‘Submit’ button.

<table>
<thead>
<tr>
<th>Effective Period</th>
<th>7/1/2020 - 6/30/2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Submitted By</td>
<td><a href="mailto:courtney.m.jackson@illinois.gov">courtney.m.jackson@illinois.gov</a> on 1/19/2021 9:08:08 AM</td>
</tr>
<tr>
<td>ICR Primary Email</td>
<td><a href="mailto:numbermut_99@yahoo.com">numbermut_99@yahoo.com</a></td>
</tr>
<tr>
<td>Important:</td>
<td>Some indirect cost rate actions are time sensitive. This email address needs to be active and monitored regularly by your organization.</td>
</tr>
<tr>
<td>Other Contacts</td>
<td>If other users besides the ICR Primary Email address would like to receive notifications, click the “Manage Portal Access” button then select the user to edit their notifications.</td>
</tr>
</tbody>
</table>

State Rate

State rate in progress: Pending CSFA award
There are no awards in the CSFA for your organization. Once a grant agreement is executed, an award will be added to the system and you will be sent an invitation to begin the negotiation process. If you have any questions please email your State of Illinois cognizant agency.

This will notify the selected state agency that you should have an award with them in the CSFA system.

Click OK to continue.

| Lori.Beeler@illinois.gov on 4/13/2020 3:41:50 PM |
| Important: Some indirect cost rate actions are time sensitive. This email address needs to be active and monitored regularly by your organization. |
9. The Indirect Cost Rate Section of the Grantee Portal page will reflect the current status of the ICR election.

   10. This will complete the State NICRA (Local Government) election for the grantee/subrecipient in the Centralized Indirect Cost Rate System. The grantee/subrecipient will complete the negotiation of the State NICRA (Local Government) in the CARS system.
   a. Confirmation email to all ICR registrants (whomever is checked for Indirect Cost notifications).

11. The grantee/subrecipient will have the option to print a document memorializing their completed election within the centralized system for record purposes, if desired. If the grantee/subrecipient does not select to “Print” a copy of the completed election, they may do so at any other time. The “Print” function will generate a copy of the grantee/subrecipient’s most recent approved indirect cost rate election. The following items will be memorialized on the State NICRA (Local Government) election:
   a. Organization Name
   b. Date grantee/subrecipient completed the State NICRA (Local Government) election
   c. Rate and Base
   d. Effective period
   e. Next required submission
   f. Name of grantee/subrecipient representative that completed the election

   For more information on indirect cost rates in general please visit the GATA Resource Library by clicking here.
Federally Negotiated Indirect Cost Rate Agreement (Fed NICRA):
How to elect a Federal NICRA in the Centralized Indirect Cost Rate System:

1. Grantee/subrecipient enters the Grantee Portal
2. Grantee/subrecipient goes to the ICR section
3. Grantee/subrecipient selects “Make Election” option
4. Grantee/subrecipient selects the “Federal NICRA” option
   a. For more information on what selecting the “Federal NICRA” option entails, select “More Info”

5. Grantee/subrecipient uploads a copy of the organization’s Federal NICRA and Cost Policy Statement
6. Grantee/subrecipient will complete the required certifications and hit submit
7. This will complete the Federal NICRA election process for the grantee/subrecipient. The grantee will need to await a response from GATU as to whether the Federal NICRA document is accepted or rejected.

8. If the Federal NICRA document is rejected, the grantee/subrecipient will receive information on the denial via the Grantee Portal. An email will also be sent to all ICR registrants (whomever is checked for Indirect Cost notifications).
   a. The grantee/subrecipient can view the rejection detail in two places:
i. In the Indirect Cost Rate section of the Grantee Portal in the yellow box

ii. Within the election in the Status box

b. The grantee/subrecipient can upload a different file by selecting Edit.
c. The grantee/subrecipient may make a new election.

9. The Indirect Cost Rate section on the Grantee Portal page will reflect the current status of the ICR election.

10. If the Federal NICRA document is accepted, the grantee/subrecipient will see this information via the Grantee Portal. An email will also be sent to all ICR registrants (whomever is checked for Indirect Cost notifications).
11. The Indirect Cost Rate section on the Grantee Portal page will reflect the current status of the ICR election.

<table>
<thead>
<tr>
<th>ICR</th>
<th>Effective Period</th>
<th>Election</th>
<th>Rate</th>
<th>Base</th>
<th>Applicable</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>View</td>
<td>7/1/2020-6/30/2021</td>
<td>Fed Final</td>
<td>16.25</td>
<td>Total direct costs excluding capital expenditures (buildings, individual items of equipment, alterations and renovations); that portion of each subaward in excess of $25,000 and flow-through funds</td>
<td>ALL</td>
<td>On Site</td>
</tr>
</tbody>
</table>

Confirmation email to all ICR registrants (whomever is checked for Indirect Cost notifications).

12. This will complete the Federal NICRA election process for the grantee/subrecipient.
   a. Confirmation email to all ICR registrants (whomever is checked for Indirect Cost notifications).

13. The grantee/subrecipient will have the option to print a document memorializing their completed election within the centralized system for record purposes, if desired. If the grantee/subrecipient does not select to “Print” a copy of the completed election, they may do so at any other time. The “Print” function will generate a copy of the grantee/subrecipient's most recent approved indirect cost rate election. The following items will be memorialized on the Federal NICRA election:
   a. Organization Name
   b. Date grantee/subrecipient completed Federal NICRA election
   c. Rate and Base
   d. Effective period
   e. Next required submission
   f. Name of grantee/subrecipient representative that completed the election

State Federal Rate Maintained Internally (State FRMI):
This option is only available to Local Governments that receive less than $35 million in direct federal funds.

How to elect a State FRMI in the Centralized Indirect Cost Rate System:

1. Grantee/subrecipient enters the Grantee Portal
2. Grantee/subrecipient goes to the ICR section
3. Grantee/subrecipient selects “Make Election” option
4. Grantee/subrecipient selects “State FRMI” option
   a. For more information on what selecting the “State FRMI” option entails, select “More Info”
5. Grantee/subrecipient must answer the following question: Does your organization receive any direct federal funding?

a. If Yes:
i. The grantee/subrecipient will complete the required certifications and hit submit.

ii. If Yes and the state awarding agency has entered the award into the GATA system at the time of election, the status will change to “State Rate in Progress/Crowe to be notified”

iii. If Yes and the state awarding agency has not entered the award into the GATA system at the time of election, the status will change to “State Rate in Progress: Pending CSFA award”
   1. From a drop down box, the grantee/subrecipient may select the state awarding agency which they believe they will be receiving an award
from. This will send a notification to the awarding agency and the status will change to “State rate in progress: Agency Missing Award”.

b. If No, grantee/subrecipient must select the “State NICRA” option, see page 23.
6. This will complete the State FRMI election for the grantee/subrecipient in the Centralized Indirect Cost Rate System. The grantee/subrecipient will complete the State FRMI submission in the CARS system.
   a. Confirmation email to all ICR registrants (whomever is checked for Indirect Cost notifications).

7. The grantee/subrecipient will have the option to print a document memorializing their completed election within the centralized system for record purposes, if desired. If the grantee/subrecipient does not select to “Print” a copy of the completed election, they may do so at any other time. The “Print” function will generate a copy of the grantee/subrecipient's most recent approved indirect cost rate election. The following items will be memorialized on the State FRMI election:
   a. Organization Name
   b. Date grantee/subrecipient completed State FRMI election
   c. Rate and Base
   d. Effective period
   e. Next required submission
   f. Additional agreement information
   g. Name of grantee/subrecipient representative that completed the election