

FAQ – Crowe Activity Review System (CARS)

1. What is the appropriate date to input for “Date of Issuance of Award”?

The date entered should be the date that the grant is fully executed, which is the later of the term start date or the last signature on the grant agreement.

2. Where are the instructions for the system located?

Instructions are available through the training videos, see GATU website: <http://www.illinois.gov/sites/GATA/Webinars/Pages/default.aspx> for trainings on the process as well as the system. In addition, all grantees should watch this video on the system before working in the system:

<http://www.illinois.gov/sites/GATA/Webinars/Pages/CARS-Training-for-Grantees.aspx>

3. Can the application be printed or edited after it is submitted?

The record cannot be edited after submission, however, it can be printed via the link in the email.

4. How do I submit a comment?

Within the Submit block there is a place to enter any additional comments you may have. Scroll down to enter comments in the white input box. The box at the top of the screen is the comment history, which displays prior comments.

5. Can the help text be printed?

Help text cannot be printed. When printing, the question text along with your response is the only information that will print.

6. Can I view submitted proposals?

Yes. You can view submitted applications by using the link in the email received at the beginning of the process notifying you about the case in CARS. After submission, the proposal will not be editable by the grantees.

7. When is the Indirect Cost Rate System (CARS) available?

The system is available to all users 24/7 with the exception of the weekly scheduled maintenance which is every Wednesday between 6 and 8 pm central time.

8. How do I attach documents?

Click on the Attachments tab in the black bar at the top of the page. Select the file(s) then click Upload.

9. How do I reassign or delegate the completion of this to another individual within my organization?

There is a built in reassignment functionality, please watch this training video for details: <http://www.illinois.gov/sites/GATA/Webinars/Pages/CARS-Training-Reassignment.aspx>

10. Why has my organization not received the welcome email to access the Crowe Activity Review System (CARS) to submit our indirect cost rate proposal (ICRP)?

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Two things need to occur before you receive the welcome email to access CARS. First the Internal Control Questionnaire (ICQ) must be submitted to the cognizant agency and then the cognizant agency must approve the ICQ.

11. Can more than one person access CARS at a time?

Only one person can have access to CARS at a time, however you can reassign to another individual.

12. Will I receive a notification that my Indirect Cost Rate Proposal (ICRP) has been submitted and is ready for review?

No. Once you submit your ICRP, you will only receive an email later in the process if A) the proposal is returned to you for further information or B) the submission has been reviewed and approved.

13. I have received notification of approval of my internal control questionnaire (ICQ) from the cognizant agency, but I have yet to receive the welcome email to access the Crowe Activity Review System (CARS). What is the reason for not receiving the welcome email?

After approval of the ICQ by the cognizant agency, the welcome email might not have been sent because organizations are loaded into CARS on a periodic basis. There may be a one to two business day lag from the date the ICQ is approved and a welcome email is sent to access the system.

FAQ – Indirect Cost Rate Proposal (ICRP)

1. What is an indirect cost rate?

An indirect cost rate is a percentage (indirect cost pool/direct cost base) used to distribute indirect costs to all cost centers benefiting from those costs.

2. Are grantees required to establish indirect cost rates?

No. Entities that are able to allocate and charge 100% of their costs directly may continue to do so. Claiming reimbursement for indirect costs is not mandatory. In addition, grantees can elect to use the 10% de minimis rate if they meet the requirements.

3. What can the submitting organizations do to help facilitate the review of an indirect cost rate proposal?

To avoid delays, organizations should submit complete proposals. Proposals based on actual costs must reconcile to financial statements. If there are any questions concerning any aspect of the proposal, contact GOMB to resolve the issue prior to formal submission.

4. Is the 10 percent de minimis rate for new organizations that have never negotiated an IDC rate at 200.414 (f) available to governmental organizations or tribal governments that have never negotiated an IDC rate?

Yes. Provision of the 10 percent de minimis indirect cost rate is conditioned on the entity meeting the requirements specified at 200.414 (f). These include limiting availability to organizations that have never received a negotiated indirect cost rate, except for those described in Appendix VII of Part 200, paragraph (D)(1)(b) “governmental department or agency unit that receives more than \$35 million in direct Federal funding must submit its indirect cost rate proposal...” State and local government departments that have never negotiated indirect cost rates with the Federal government and receive less than \$35 million in direct Federal funding per year may use the 10% de minimis indirect cost rate, and must keep documentation of this decision on file. Federally recognized Indian tribes that have never negotiated an indirect cost rate with the Federal government may also use the 10% and keep documentation of this decision on file.

5. What documentation must be maintained for allowable direct and indirect costs?

To be allowable, all direct costs and indirect costs must be adequately supported by source documentation which clearly shows the purposes and circumstance of the cost incurred. For example, canceled checks, credit card invoices, and travel agents’ invoices alone are not sufficient to determine whether the costs are chargeable as direct costs or indirect costs.

6. Can our indirect cost rate proposal be based only on Federal funds since it only represents a small percentage of our total revenue?

No. Your indirect cost rate proposal must include costs incurred for all projects, Federal and non-Federal, and the amount of the proposed allocation base must tie in with the applicable direct cost base for all projects.

7. What is the difference between bid and proposal costs and fundraising costs, and how does a grantee treat such costs in its indirect cost rate proposal?

Bid and proposal costs represent the salaries, consultant fees, printing, postage, travel, etc. associated with an organization’s preparation of bids, proposals, and applications to perform specific tasks for remuneration under potential Federal and non-Federal grants, contracts, or other agreements. An organization should treat bid and proposal expenses as allowable indirect costs. Fundraising costs represent the salaries, consultant fees, printing, postage, travel, etc. associated with an organization’s requests to private institutions or individuals for donation of

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funds for non-specific purposes. Fundraising costs are normally unallowable, except for specific circumstances (see 2 CFR Part 200.442); however, both allowable and unallowable fundraising activities must be allocated as an appropriate share of indirect costs under the conditions described in 200.413 Direct costs.

- 8. A grantee has contracted to update its computer network with its affiliates for a total cost of \$50,000. Since each component; i.e., monitor, printer, personal computer, software, modem, etc., costs less than the \$5,000 per unit threshold specified in 2 CFR Part 200, can this “equipment” be charged to the indirect cost pool?**

The components of the computer network make it useable for the purpose for which it was acquired and therefore establishes the “system” as a capital expenditure. Accordingly, this equipment can be appropriately charged to the grants either as a direct or indirect cost, on the basis of depreciation and the benefits received concept. If the capital assets were purchased with federal funds, the assets should be charged as a direct cost. If the assets were not charged with federal funds, the usage of the capital asset should be reviewed to determine if it is a direct or indirect cost and the depreciation would then be charged as the direct or indirect cost.

- 9. Can transactions with an affiliate affect allowable costs?**

Yes. A problem may arise in transactions between parent organizations and their affiliates when the parent organization has an equity interest in the affiliate. When an equity interest exists, any profits made by the affiliate improve the equity interest of the parent. If an affiliate sells a good or service to the parent and the selling price includes a profit to the affiliate, the parent’s equity interest in the affiliate has been increased. If the parent then includes the purchase price as a direct or indirect charge to a Federal award, it has violated the applicable cost principles that charges will be at cost and not include a profit factor.

- 10. Will grantees be able to request reconsideration of the rate issued?**

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- 11. Can a grantee request an extension to the deadline?**

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- 12. How do we calculate and submit the proposed indirect cost rate?**

The Crowe Activity Review System (CARS) should be utilized to complete the proposal process. Within the system, there are proposal templates, by entity type, to assist with the calculations of indirect cost rates. This completed template and other information (Cost Policy Statement, financial data, organization chart) should be attached and submitted with your proposal.

- 13. Can grantees use rates issued by other governmental agencies?**

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- 14. Will we receive reimbursement for all indirect costs?**

Reimbursement of indirect costs is subject to ceilings on reimbursements that may be contained in statutes, grants, or contracts, as well as the availability of funding.

- 15. What are the consequences of not filing by the deadline?**

If the entity does not submit its indirect cost rate proposal by the deadline, they will not receive reimbursement for indirect costs for the current State fiscal year.

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16. How is self-insurance reported?

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17. Is financial data (such as audited financial statement, Form 990, annual financial reports) required if I have elected not to use the de minimis rate or propose an indirect cost rate?

Yes, financial data is required.

18. When is the proposal submission deadline?

September 29, 2016.

19. What if I represent two organization that each receive grants?

You will receive two separate email notifications to complete the proposal for each organization individually. These may not both be received at the same time as there are other prerequisites that need to occur before you receive the welcome email inviting you to complete the forms.

20. I have completed applications for grants for State Fiscal Year 2017, however I haven't received any grant agreements. Should I still complete the ICRP?

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21. From where should the amounts for revenue by source on the "Agency Identification" tab be populated?

The amounts in the revenue by source section should match the most recent audited financial statements, Form 990, or other required financial data for the proposal.

22. I am electing to use the de minimis rate. Do I still need to fill out the Indirect Cost Rate Proposal (ICRP)?

Yes, you would still need to fill out the ICRP and on the "Indirect Cost Rate Selection" tab you will have to indicate you are choosing to use the de minimis rate and fill out the Modified Total Direct Cost (MTDC) template (linked from the attachments block).

23. My organization already has a negotiated indirect cost rate agreement (NICRA) with the State of Illinois. Do I need to complete the Indirect Cost Rate Proposal (ICRP)?

24. What if my organization has a cap on our current rate?

Even if the grantee has a cap on their rate, they still need to complete the negotiation process within the system.