



IOWA DEPARTMENT OF JUSTICE

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Chapter 18 Cost Allocation

The requirements for the development and submission of indirect cost proposals and cost allocation plans are set out in [Appendices III – VII of 2 C.F.R. § 200](#). Subrecipients should follow the guidelines applicable to its type of organization.

A cost allocation plan is a means of distributing to various projects, costs which benefit more than one project and are not directly assigned.

Indirect costs are costs of an organization that are not readily assignable to a particular project but are necessary to the operation of the organization and the performance of the project. Examples of costs usually treated as indirect include those incurred for facility operation and maintenance, depreciation, and administrative salaries.

Subrecipients preparing a cost allocation plan or indirect cost rate proposal (ICRP) should review the following federal publications that are pertinent to their type of organization:

1. [2 C.F.R. § 200, Appendix III for Institutions of Higher Education](#)
2. [2 C.F.R. § 200, Appendix V for State/Local Government Central Service Cost Allocation Plans](#)
3. [2 CFR Part 200 Appendix IV-Indirect Costs Identification and Assignment and Rate Determination for Nonprofit Organizations](#)
4. [2 C.F.R. § 200, Appendix VII for State/Local/Tribal Indirect Cost Proposals](#)

