




U.S. Department of Justice


Office on Violence Against Women


Washington, DC 20530


January 28, 2015

MEMORANDUM

TO: Bea Hanson 
Principal Deputy Director

THROUGH: Nadine M. Neufville 
Deputy Director for Grant Development & Management

 Jennifer E. Kaplan
Supervisory Attorney Advisor

FROM: Donna Simmons 
Associate Director, Grants Financial Management

SUBJECT: Indirect Cost Rates

This memorandum sets forth policies, procedures, and general decision making criteria, pursuant to 2 CFR 200.414(c)(3), that OVW programs will follow to seek and justify deviations from negotiated indirect cost rates. Section 200.414(c)(1) requires federal awarding agencies to accept negotiated indirect cost rates but allows for the use of a different rate where approved by an agency head or delegate based on documented justification.

I. Policies

OVW program units may seek grant program-specific deviations from indirect cost rates by following the procedures outlined below and based on the below criteria. Deviations from indirect cost rates must apply consistently across a whole grant program in a given fiscal year rather than to a selected class of applicants to that program.

II. Procedures

OVW program units that seek deviations from approved indirect cost rates must draft a memorandum for approval by the OVW Director that specifies the justification for the deviation, including the ways in which the requested deviation meets the below criteria. In lieu of a separate decision memorandum, a program unit may include the relevant information in the annual Program Plan memorandum for a particular program. Any decision memorandum seeking such approval, whether as part of a Program Plan or not, must be directed through the Deputy Director for Grant Development & Management and the Associate Director, Grants Financial Management.


III. Criteria

The OVW Director will weigh the following criteria in determining whether to grant an indirect cost rate deviation for a particular program:

- A. The history of the program, including whether deviations from indirect cost rates have been granted in the past and the impact of such deviations on grantees and applicants.
- B. Information about the program including:
 - 1. The type of entities eligible for awards (e.g., states, units of local governments, etc.)
 - 2. The nature of funded activities under the program (e.g., victim services, prosecution, etc.);
 - 3. The size of the program (i.e., average annual appropriation and number of grants);
 - 4. The size of awards; and
 - 5. Any statutory limits on funding such as statutory caps on awards or mandatory set asides of funding within the program or individual awards.
- C. Any other program-specific justification for deviating from approved indirect cost rates.

Approved:

Denied:



Bea Hanson

2/3/15

Date

Bea Hanson

Date