



**#208-22**

**Commonwealth of Virginia  
Virginia Department of Education  
Superintendent's Memo #208-22**

DATE: September 9, 2022  
TO: Division Superintendents  
FROM: Jillian Balow, Superintendent of Public Instruction  
SUBJECT: **Data Collection: Subawards and Subcontracts on Federal Grants Awards in  
FY 2022**

2 CFR 200.1 "Indirect (facilities & administrative (F&A)) costs" of the Code of Federal Regulations defines indirect cost as:

*"...those costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefited, without effort disproportionate to the results achieved. To facilitate equitable distribution of indirect expenses to the cost objectives served, it may be necessary to establish a number of pools of indirect (F&A) costs. Indirect (F&A) cost pools must be distributed to benefitted cost objectives on bases that will produce an equitable result in consideration of relative benefits derived."*

Pursuant to the Virginia Department of Education's (VDOE) most recent local educational agency (LEA) indirect cost proposal to the U.S. Department of Education (USED), it is necessary for school divisions to submit additional data that will be used to exclude certain costs above \$25,000 from the calculation of direct costs (the denominator) in the computation of school divisions' LEA indirect cost rates that are calculated annually by VDOE on behalf of school divisions.

Guidance to determine the eligibility of subaward or subcontract costs above \$25,000 to be excluded for purposes of calculating LEA indirect cost rates has been provided by the U.S. Department of Education and is provided as **Attachment A**. School divisions are encouraged to use this guidance on a grant-by-grant basis.

**Attachment B** serves as the data collection tool for school divisions' eligible subawards and subcontracts. Please only provide data related to subawards and subcontracts eligible to exclude costs above \$25,000 from the indirect costs calculation pursuant to the federal guidance in **Attachment A**. Completed collection templates should be sent by email to [doebudgetoffice@doe.virginia.gov](mailto:doebudgetoffice@doe.virginia.gov) no later than **November 15, 2022**.

**Attachment C** contains sample data collection content that can be used as a guide for school divisions in entering data in **Attachment B**. This sample was provided to VDOE by the U.S. Department of Education.

This data will be collected annually from school divisions in order to meet federal requirements for calculation of LEA indirect cost rates. Future iterations of this data collection will be added to the Annual School Report (ASR), beginning with FY 2023 data. The most likely method of this collection in the ASR will be through a supplemental schedule within the Excel template.

### For more information

If you have additional questions about this supplemental data collection, contact the Budget Office at [doebudgetoffice@doe.virginia.gov](mailto:doebudgetoffice@doe.virginia.gov).

JB/eml

- A. Attachment: [USED Guidance on Subawards and Subcontracts for Federal Awards](#) (DOCX)
- B. Attachment: [Subaward and Subcontract Data Collection Template](#) (XLSX)
- C. Attachment: [Sample Data Collection](#) (XLSX)