



THE NEW YORK CITY DEPARTMENT OF EDUCATION

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DIVISION OF BUDGET OPERATIONS AND REVIEW

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MARJORIE BLUM

Executive Director

BOR ALLOCATION MEMORANDUM NO. 4, FY 2003

DATE: August 21, 2002

TO: ALL SUPERINTENDENTS

FROM: Marjorie Blum

SUBJECT: FY 2003 REIMBURSABLE INDIRECT COST ALLOCATIONS

In the past, Indirect Cost allocations have been issued to Community School Districts late in the Fall (i.e., FY'02 - November and FY'01 - December). Data availability has hindered the timeliness of the allocation. In order to release funding earlier and provide stability in the indirect cost budget, the allocation formula has been simplified. In addition, although the approved indirect cost rate has decreased from 5% to 3%, we have managed to preserve a fairly large portion of indirect cost funding for CSDs due to increased categorical revenues and by revising the indirect cost allocation formula. Therefore, for CSDs, indirect cost funding for FY'03 will be only a little less than last year's amount. Please be aware that allocations will have to provide for the cost of all collective bargaining adjustments that may occur during this year. The allocation formula changes are as follows:

PRESENT	PRIOR
<p>Indirect Cost is now 3%.</p> <p>Districts retain 40% of their indirect allowances for selected reimbursable allocations and prior year clinical (CSE) allocations and competitive grants.</p> <p>Claimable indirect cost will be equal to 100% (eliminates expenditure rate).</p> <p>Districts will no longer retain allowances associated with carryover. The new formula assumes all funds will be expended in the current fiscal year.</p>	<p>Indirect Cost was 5%.</p> <p>Only 1/3 was retained for selected reimbursable allocations and prior year competitive grants.</p> <p>Districts' indirect cost claims were based on the amount expended in reimbursable programs from the prior year.</p> <p>Districts' retained 1/3 allowance associated with prior year carryover.</p>

District indirect cost allocations are computed by the following steps:

1. **Maximum Claimable Indirect Cost:** The amount of indirect cost that will be budgeted against FY 2003 allocations (including prior year clinical allocations, Federal and State grants).
2. **District Indirect Cost Allotment:** The larger of 40% of the maximum claimable indirect cost of \$155,800.

Indirect cost allocations shown on the attached Table should be scheduled as soon as possible. Budget Operations and Review, Circular No. 1, 2002-2003, "Cost Factor for FY 2003 for all Reimbursable Programs," should be consulted for grant and funding numbers, as well as budgeting rules and regulations.

Attachment
MB:MG:BF:pav

E-mail: Directors of Funded Programs
Directors of Operations

TABLE

INDIRECT COST ALLOCATION, FY2003

REIMBURSABLE ALLOCATIONS WITH 3.0% INDIRECT COST

CSD	Initial	BOR#2	Clinical	FY'02	FY'02	Generated	Indirect Cost Allocation Min \$155,800
	Allocation BOR #1	Occasion. Abs Title II, A	Evaluation BOR #3 - FY02	Competitive Grants	Emergency Immigrant	3% Ind. Cost @ 100%	
1	\$14,169,512	\$412	\$1,009,066	\$1,662,024	\$78,194	\$463,402	\$185,400
2	18,635,037	1,107	1,739,325	7,502,258	420,771	773,568	309,400
3	17,096,108	976	1,417,708	3,698,800	122,987	609,288	243,700
4	23,010,119	1,504	1,209,450	1,058,704	42,928	702,328	280,900
5	14,857,200	530	912,160	1,783,196	35,738	485,728	194,300
6	53,789,055	3,770	1,532,449	3,759,152	437,726	1,689,020	675,600
7	22,178,130	336	1,346,635	865,964	102,067	674,170	269,700
8	34,434,334	0	1,437,547	2,665,696	133,155	1,084,462	433,800
9	47,075,488	5,372	1,638,223	4,594,273	241,394	1,512,132	604,900
10	74,744,173	11,122	2,568,079	4,286,171	500,045	2,316,743	926,700
11	35,703,111	2,200	2,296,724	720,669	475,748	1,104,198	441,700
12	21,485,529	644	1,463,601	1,608,304	94,490	726,067	290,400
13	21,987,756	356	1,071,056	2,679,998	98,906	762,662	305,100
14	28,141,759	1,530	1,369,953	350,000	237,410	872,043	348,800
15	28,848,980	2,856	1,543,748	4,568,599	287,046	1,008,339	403,300
16	14,247,940	412	821,776	638,100	32,846	479,177	191,700
17	38,506,100	4,257	1,286,405	1,629,727	353,074	1,218,635	487,500
18	27,489,640	1,496	1,065,849	4,595,655	302,517	985,248	394,100
19	40,782,550	2,958	1,414,112	1,102,861	316,551	1,276,985	510,800
20	39,609,204	1,296	1,721,444	3,835,698	810,165	1,363,819	545,500
21	33,863,660	2,520	1,814,784	2,184,953	594,284	1,134,237	453,700
22	31,131,882	3,105	1,938,592	1,706,121	543,048	1,014,983	406,000
23	24,300,732	3,502	1,092,143	689,233	61,643	760,956	304,400
24	52,877,265	2,880	1,824,549	795,463	1,425,253	1,644,781	657,900
25	20,761,283	1,694	1,345,705	267,202	580,287	674,395	269,800
26	7,782,179	1,510	1,349,355	174,164	304,147	264,576	155,800
27	44,635,028	4,600	2,087,067	7,986,788	513,844	1,585,243	634,100
28	27,636,018	2,938	1,538,418	5,354,042	615,073	1,009,920	404,000
29	27,359,115	2,576	1,379,597	254,103	366,267	856,199	342,500
30	46,024,563	4,500	1,603,813	1,830,657	662,309	1,463,402	585,400
31	31,667,769	3,836	2,640,713	564,213	249,948	999,045	399,600
32	28,734,595	1,554	1,106,726	1,286,633	128,466	934,656	373,900
81	2,704,103	137	0	0	750	110,596	36,900
85	46,345,509	1,078	0	3,860,787	267,722	1,523,291	609,300
91	28,953	0	0	0	900	40,065	40,065
Total	\$1,042,644,379	\$79,564	\$48,586,772	\$80,560,208	\$11,437,699	\$34,124,359	\$13,716,665

Notes: -BOR #1 FY2003 Reimbursable Programs included are Special Needs/AIS(Chapter 53, ERSSA, IDEA, PCEN, SIG), Federal Drug, PCEN BIL/LEP, Part 154, Title I, Title II, Title VI, State Magnet, State PreK, Tax Levy Super Start
-FY2002 FAMIS account for competitive grants (which include Federal Magnet School Programs, Title VII, Federal Misc Drug-Free, State Bilingual, State Pre-extended yr, Umbrella Programs, and other Federal and State Programs).
-Budgeted Indirect = 3% X (Programs/1.03)