



State of Arizona Department of Homeland Security



Governor Douglas A. Ducey

Director Gilbert M. Orrantia

INDIRECT COST AND COST ALLOCATION RECOVERY POLICY

Effective 1-28-20

1. The Arizona Department of Homeland Security will require any subrecipient applying to recover indirect costs or charge costs based on a cost allocation plan on Homeland Security Grant Programs (SHSGP, UASI, OPSG, NSGP) to obtain a federally approved indirect cost rate or cost allocation plan from its cognizant federal agency regardless of how much the subrecipient expends in federal funds annually (whether the subrecipient receives federal funds directly or only as a pass-through entity).
2. Only a federally approved indirect cost rate or cost allocation plan will be accepted.
3. The AZDOHS will require the submission of an approved rate or plan during the application period; or if the rate or plan is approved during the period of performance and the subrecipient wishes to amend an approved budget, when the amendment documents are submitted.
4. Indirect costs or cost allocation charges may be recovered only for the time period outlined in the approved rate plans or period of performance as it pertains to the grant program.
5. There will be no exceptions to this policy. Those agencies with an indirect cost plan or cost allocation plan that are not approved or if requesting to recover the de minimis indirect cost rate as outlined in 2 CFR 200 must get a rate or plan approved by their cognizant federal agency.