



Minnesota Management and Budget Statewide Operating Procedure

Minnesota Management and Budget, General Accounting
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Indirect Costs

Objective

To ensure agencies reimburse the General Fund for Statewide Indirect Costs (SWIDC), Statewide Systems Special Billing (SSB), Federal IDC (Indirect Costs), and Agency IDC to reimbursement to the General Fund.

General Procedures:

Step	Action	Responsible Party	Timeline
1.	Collect statistics for the Statewide Cost Allocation Plan (SWCAP) at the end of each fiscal year.	MMB – General Accounting	Annually
2.	Collect business plans from each central service fund to include in the SWCAP.	MMB – General Accounting, Agency fiscal staff	Annually
3.	Reconcile excess retained earnings for each central service fund at the end of each fiscal year per OMB Circular A-87.	MMB – General Accounting	Annually
4.	Allocate prior year actual and next year budgeted SWIDC, Statewide Systems Special Billing (SSB), and Federal IDC to include in the SWCAP submission.	MMB – General Accounting	Annual
5.	Provide agencies with SWIDC statements within 30 days after the SWCAP submission to allow time for agencies to include this cost in the annual spending plan or the budget.	MMB – General Accounting	Annually
6.	If the agency receives federal funds, ensure that an indirect cost plan has been prepared, includes the recovery of SWIDC and Agency IDC, and has been submitted to the cognizant federal agency.	Agency fiscal staff	Annually
7.	Budget sufficient funds account to satisfy all agency Statewide IDC (SWIFT Account 420101), Statewide Systems Special Billing (SWIFT Account 420101), and Federal IDC (SWIFT Account 420101), and Agency IDC (SWIFT Account 420001) and anticipated for the fiscal year.	Agency fiscal staff, Agency Budget Officer	Annually

Step	Action	Responsible Party	Timeline
8.	Submit request to waive indirect costs no later than 30 days prior to first quarterly invoice processing. Waivers may be submitted by email to GeneralAcctg.MMB@state.mn.us and must include a written request including a complete explanation of the program including a citation of the programs enabling legislation, the amount to be waived, the fund, the reason for the waiver, and an agency contact for the waiver request. NOTE: No waiver will be granted for amounts less than \$500.	Agency fiscal staff	Annually
9.	Review and respond to all agency waiver requests as received.	MMB – General Accounting	Ongoing
10.	Process invoices for SWIDC and Statewide SSB on the first business day of the last month in each quarter.	MMB – Fiscal Services	Quarterly
11.	For SWIDC and Statewide SSB, process the payments in each account within 30 days of invoicing.	Agency fiscal staff	Quarterly
12.	Process reverse bilateral netting for Federal IDC by the last business day of the last month in each quarter and as needed at fiscal year-end. NOTE: Copies of all related calculations must be submitted to MMB, for confirmation and reconciliation, within 3 working days following the date of the reimbursement.	Agency fiscal staff, MMB – Fiscal Services	Quarterly
13.	Reimbursement to the General Fund of all Agency IDC attributable to the recovery of General Fund IDC. NOTE: MMB may grant agencies the authority to retain the agency portion of IDC recoveries, if it determines that they are not a recovery of general fund expenditures. Agencies must submit the request by email to GeneralAcctg.MMB@state.mn.us .	Agency fiscal staff, MMB – General Accounting	Quarterly

Related Policies and Procedures

[MMB Statewide Operating Policy 0105-01 Indirect Costs Recovery](http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-1/0105-01-indirect-cost-policy.docx) (http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-1/0105-01-indirect-cost-policy.docx)

[MMB Statewide Operating Policy 0805-01 Interagency Payments Policy](http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-8/0805-01-interagency-payments-policy.docx) (http://mn.gov/mmb-stat/documents/accounting/fin-policies/chapter-8/0805-01-interagency-payments-policy.docx)

[SWIFT Quick Reference Guides: Bilateral Netting](http://mn.gov/mmb/accounting/swift/training-support/support-resources/reference-guides/bilateral-netting.jsp) (http://mn.gov/mmb/accounting/swift/training-support/support-resources/reference-guides/bilateral-netting.jsp)