Local Governmental Agency (LGA) elects to bill indirect costs to Caltrans?

Designated as a high risk recipient by Caltrans?

Had a major change to its financial management system?

Is this the first ICAP/ICRP submission?

LGA’s cognizant approval of ICAP/ICAP is from federal agency other than FHWA?

Yes

A. Revised Streamline Process

The LGA receives more than $35 million in direct federal funding?

No

LGA determines proper option(s):
- Process A - page 1
- Process B - page 2
- Process C - page 3
- Process D - page 4

No

LGA submits only the ICAP/ICRP certification (Attachment D) and Streamlined Submission Checklist (Attachment C) to A&I

Yes

Review by Caltrans A&I if the LGA qualifies for the streamlined process

Certification & Rate Acceptance Letter to LGA

LGA submits complete ICAP/ICRP package annually. See Process B – page 2

No

Caltrans Performs Risk Assessment and Audit (See page 2 process B-2)

LGA may apply for an extension up to 4 years (See page 3 process C)

Within 6 months of close of FY, or 30 days from annual audit completion

Within 10 Business Days

Use Complete ICAP/ICRP Package Submission Process (See page 2 Process B)

Most recent ICAP/ICRP required an indirect cost rate change due to an improper, inaccurate, or unsupported rate calculation?

No

Has a major change to its financial management system?

Yes

LGA submits only the ICAP/ICRP certification (Attachment D) and Streamlined Submission Checklist (Attachment C) to A&I

No

Within 6 months of close of FY, or 30 days from annual audit completion

Fiscal year begins on or after July 1, 2015

LGA uses Revised Streamline Process

Most recent ICAP/ICRP required an indirect cost rate change due to an improper, inaccurate, or unsupported rate calculation?

No

LGA determines proper option(s):
- Process A - page 1
- Process B - page 2
- Process C - page 3
- Process D - page 4

Within 10 Business Days

LGA submits complete ICAP/ICRP package annually. See Process B – page 2

Use Revised Streamline Process

Certification & Rate Acceptance Letter to LGA

LGA submits only the ICAP/ICRP certification (Attachment D) and Streamlined Submission Checklist (Attachment C) to A&I

No

Review by Caltrans A&I if the LGA qualifies for the streamlined process

Caltrans Performs Risk Assessment and Audit (See page 2 process B-2)

LGA may apply for an extension up to 4 years (See page 3 process C)
ICAP/ICRP Submission and Approval Processes

**Process B**

1. **B. Complete ICAP/ICRP Package Submission Process**
   - LGA Annually Submits a ICAP/ICRP to A&I

2. **Review by Caltrans A&I for Compliance with Submission Requirements**
   - Non-compliant
     - A&I Requests Additional Documentation From LGA or Changes to the ICAP/ICRP
   - Compliant
     - ICAP/ICRP Submission Accepted by A&I For Billing and Reimbursement Purposes
       - Certification & Rate Acceptance Letter to LGA
       - Quarterly Status Report to FHWA

3. **Complete ICAP/ICRP Package Submission Process required only because LGA’s previous ICAP/ICRP required a rate change?**
   - Yes
     - LGA Annually Submits a ICAP/ICRP to A&I
   - No
     - Submit ICAP/ICRP annually
       - Annually
         - See page 1 Process A or page 2 Process B

4. **Risk Assessment and Audit**
   - Caltrans Performs Risk Assessment
     - ICAPs/ICRPs Selected for Audit
     - ICAP/ICRP Audits Performed by A&I/FHWA

**Timelines**

- **Within 6 months of close of FY, or 30 days from annual audit completion**
- **Within 30 Business Days**
- **Within Record Retention Period**

**Process B-2**

- **Risk Assessment and Audit**
- **Caltrans Performs Risk Assessment**
- **ICAPs/ICRPs Selected for Audit**
- **ICAP/ICRP Audits Performed by A&I/FHWA**
- **Quarterly Status Report to FHWA**
- **Audit Reports to LGAs & FHWA**

**LGA may consider for an extension up to 4 years (See page 3 Process C)**

**Annually**

**Within 30 Business Days**

**Within Record Retention Period**
ICAP/ICRP Submission and Approval Processes

C. ICAP/ICRP Extension Request Process

LGA elects to apply for an extension up to 4 years?

Yes

ICAP/ICRP is based on actual costs?

Yes

Proposed final rate or predetermined rate?

Yes

Has outstanding audit findings that impact the LGA’s indirect cost rate?

Yes

Submit certification that includes extension period, and sections 1& 2 of Checklist

No

Within 45 Business Days

Review by Caltrans A&I if the LGA meet conditions for extension

Yes

Certification & Extension Approval letter sent to LGA

No

Caltrans Performs Risk Assessment and Audit (See page 2 process B-2)

Submits ICAP/ICRP Annually. See Process A – page 1 Process B – page 2

Yes

Timelines
Submission and Approval Processes

Process D

D. De Minimis Rate

LGA elects to charge a De Minimis Rate?

Yes

Submit ICAP/ICRP to A&I. see Process A page 1 Process B page 2 Process C page 3 Process E page 4

LGA does not qualify for the use of a De Minimis Rate

No

LGA qualifies for the use of a De Minimis rate

LGA notifies A&I of the use of a De Minimis rate

Has LGA received a negotiated indirect cost rate?

Yes

No

Has LGA received more than $35 million in direct federal funding?

Yes

LGA elects to charge a De Minimis Rate?

Yes

No

LGA submits a copy of the approval to A&I

Quarterly A&I posts all De Minimis rates and non-FHWA cognizant approval rates on Caltrans website

LGA receives cognizant approval of ICAP/ICAP from federal agency other than FHWA

Process E