February 4, 2015

Dear Transportation Partners:

In response to the new federal regulations at 2 Code of Federal Regulations (CFR) Part 200, the California Department of Transportation (Caltrans), in cooperation with the Federal Highway Administration (FHWA), has revised its processes to provide Local Government Agencies (LGAs) different options for the submittal of an Indirect Cost Allocation Plan/Indirect Cost Rate Proposal (ICAP/ICRP) for fiscal years beginning on or after July 1, 2015.

An LGA that seeks reimbursement of indirect costs from Caltrans can now utilize one of the following three new options if certain conditions are met:

- Submit ICAP/ICRP Certification. Caltrans will issue a rate acceptance letter within 10 business days of receipt of an ICAP/ICRP that meets the Revised Streamlined process conditions.
- Submit ICAP/ICRP Extension Request of a current negotiated indirect cost rate(s). Caltrans will issue a rate acceptance letter within 45 business days of receipt of an extension request that meets the extension conditions.
- Use a de minimis rate. The LGA submits a notification to Caltrans for the use of a de minimis rate.

For detailed processes and conditions, please see Attachment A - ICAP/ICRP Submission Processes and Documentation of Proposal. A process flowchart, sample ICAP/ICRP submission certification and sample ICAP/ICRP schedules with referencing are also attached.

For questions or concerns regarding the process or status of a submitted ICAP/ICRP by a City/County, please contact Alice Lee at (916) 323-7953. For questions regarding a Metropolitan Planning Organization/Regional Transportation Planning Agency, please contact Teresa Greisen at (916) 323-7910, or Amada Maenpaa at (916) 323-7868.

Sincerely,

Zilan Chen
Zilan Chen, Chief
External Audits – Local Governments
Audits and Investigations

Enclosures

"Provide a safe, sustainable, integrated and efficient transportation system to enhance California's economy and livability"
Attachment A - Submission Processes & Documentation of Proposal
Attachment B - Submission and Approval Processes Flowchart
Attachment C - LGA ICAP/ICRP Checklist
Attachment D - Submission Certification
Attachment E - Sample Schedules

c: Janice Richard, Director of Financial Services, FHWA, California Division
    Jermaine Hannon, Director, Planning and Air Quality, FHWA, California Division
    Katie Benouar, Chief, Division of Transportation Planning, Caltrans
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