



FEMA

Grant Programs Directorate Information Bulletin
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MEMORANDUM FOR: All State Administrative Agency Heads
All State Agency Points of Contact
All State Chief Information Security Officers

FROM: Pamela S. Williams *P.S. Williams*
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SUBJECT: Fiscal Year 2022 and 2023 State and Local Cybersecurity Grant Program Use of Unrecovered Indirect Cost Rates

I. Purpose

This Information Bulletin (IB) provides clarifying information regarding the use of unrecovered indirect costs as cost share in both the Fiscal Year (FY) 2022 and FY 2023 State and Local Cybersecurity Grant Program (SLCGP) Notice of Funding Opportunity (NOFO).

II. Applicability

This IB is applicable to the eligible state and territory applicants (State Administrative Agencies) under the [FY 2022 SLCGP NOFO](#) and [FY 2023 SLCGP NOFO](#).

III. Guidance

This guidance pertains to unrecovered indirect costs, defined in 2 C.F.R. § 200.306(c): “Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount which could have been charged to the Federal award under the non-Federal entity's approved negotiated indirect cost rate.”

According to the FY 2022 SLCGP NOFO page 38 and the FY 2023 SLCGP NOFO page 34, “Indirect costs are allowable under this program as described in 2 C.F.R. § 200, including 2 C.F.R. § 200.414. Applicants with a current negotiated indirect cost rate agreement that desire to charge indirect costs to an award must provide a copy of their negotiated indirect cost rate agreement at the time of application. Not all applicants are required to have a current negotiated indirect cost rate agreement.”

Although unrecovered indirect costs are not explicitly described in either the FY 2022 or FY 2023 SLCGP NOFOs, guidance is provided on cost-matching requirements, which states, “DHS/FEMA administers cost-matching requirements in accordance with 2 C.F.R. § 200.306” (FY 2022 SLCGP NOFO p. 11, FY 2023 SLCGP NOFO p. 15). In addition, 2 CFR § 200.306(c). states, “Unrecovered indirect costs, including indirect costs on cost sharing or matching may be included as part of cost sharing or matching only with the prior approval of the Federal awarding agency.”

Therefore, with prior approval by FEMA, recipients may use unrecovered indirect costs for the cost share for FY 2022 and FY 2023 SLCGP awards, as well as future SLCGP awards. All requests to use unrecovered indirect costs for cost share must be submitted to your FEMA SLCGP Preparedness Officer for consideration and approval. Recipients will be notified in writing, if approval is granted.

IV. Questions

Questions regarding this IB may be directed to your assigned FEMA SLCGP Preparedness Officer or the FEMA-SLCGP Inbox at FEMA-SLCGP@fema.dhs.gov. Additional details on the FY 2022 and FY 2023 SLCGP are located at [State and Local Cybersecurity Grant Program | FEMA.gov](#).

V. Review Date

This IB will be reviewed, updated or rescinded as needed.