**Example of a FAR Compliant Indirect Cost Rate Schedule
Sample Consulting Company**

**Statement of Direct Labor, Fringe Benefits, and General Overhead for the Year Ended December 31, 20xx**

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Description** | **General Ledger Balance** | **Unallowable** | **FAR Reference** | **Total Proposed** | **Home Office** | **Field Office** |
|   |   |   |   |   |   |   |
| Direct Labor | $123,456,789  | ($934,568) | (1)(15) | $122,522,221  | $85,765,555  | $36,756,666  |
|   |   |   |   |   |   |   |
| **Fringe Benefits**  |   |   |   |   |   |   |
| Vacation/Paid Leaves  | $17,283,950  |   |   | $17,283,950  | $12,098,765  | $5,185,185  |
| Payroll Taxes | $1,530,864  | ($30,617) |  (15) | $1,500,247  | $1,050,173  | $450,074  |
| Medical Insurance  | $10,864,197  |   |   | $10,864,197  | $7,604,938  | $3,259,259  |
| 401K Match  | $4,938,272  |   |   | $4,938,272  | $3,456,790  | $1,481,481  |
| Incentives and Bonus | $15,308,642  | ($3,123,456) | (2) | $12,185,186  | $8,529,630  | $3,655,556  |
| Other Employee Benefits  | $2,515,280  | ($553,433) | (3) | $1,961,847  | $1,373,293  | $588,554  |
| **Total Fringe Benefits** | $52,441,206  | ($3,707,506) |   | $48,733,700  | $34,113,590  | $14,620,110  |
| **General & Administrative Overhead**  |   |   |   |   |   |   |
| Indirect Overhead Labor | $72,696,030  | ($4,452,541) | (1)(2)(4)(15) | $68,243,489  | $65,790,948  | $2,452,541  |
| Purchased Labor/Subconsultants | $22,433,019  | ($22,433,019) | (5) | $ - | $ -  | $ -  |
| **Office Rent** | $12,345,679  | ($987,654) | (6) | $11,358,025  | $11,038,025  | $320,000  |
| Supplies & Utilities | $5,753,086  |   |   | $5,753,086  | $4,027,160  | $1,725,926  |
| Postage and Shipping | $1,770,000  | $321,456  | (5) | $2,091,456  | $1,464,019  | $627,437  |
| Equipment and Maintenance | $3,812,346  |   |   | $3,812,346  | $2,512,789  | $1,299,557  |
| Depreciation Expense | $6,202,469  | ($1,345,678) | (7) | $4,856,791  | $3,205,482  | $1,651,309  |
| Interest | $123,456  | ($123,456) | (8) | $ - | $ - | $ - |
| Dues and Subscription | $123,456  | ($12,345) | (9) | $111,111  | $77,778  | $33,333  |
| Advertising & Marketing | $427,406  | ($45,678) | (10) | $381,728  | $267,210  | $114,518  |
| Vehicles | $5,896,123  | ($147,403) | (5)(11)(14) | $5,748,720  | $4,024,104  | $1,724,616  |
| Bad debts | $12,345  | ($12,345) | (12) | $ - | $ - | $ - |
| **Legal and Accounting Services** | $3,713,580  | ($222,815) | (13) | $3,490,765  | $3,490,765  | $ - |
| Fines and Penalties | $80,000  | ($80,000) | (16) | $ - | $ - | $ - |
| Total General & Admin. Overhead | $135,388,995  | ($29,541,478) |   | $105,847,517  | $95,898,280  | $9,949,237  |
| Total Indirect Costs |  |  |  | $154,581,216  | $130,011,870  | $24,569,347  |
| Indirect Cost Rates |  |  |  | 126.17% | 151.59% | 66.84% |

**FAR References:**

1. FAR 31.202: Uncompensated overtime.
2. FAR 31.205-6: Profit distribution and excess of the reasonable compensation.
3. FAR 31.205-46, 31.205-14 & 31.205-51: Meals not for valid business purposes and associated with lobbying and lacking adequate support
4. FAR 31.201-2: Administrative staff costs billed to projects/clients.
5. FAR 31.201-2: Subconsultant labor and other direct costs billed to and paid by contracts/clients.
6. FAR 31.205-36 and 31.205-17: Capital lease costs, rent paid in excess of reasonable costs, and idle facilities and capacity costs.
7. FAR 31.201-2 & 31.205-6: Costs relates to personal use by employees and luxury vehicles.
8. FAR 31.205-20: Interest and other financial costs not allowable.
9. FAR 31.201-2: Non-business related dues and subscriptions.
10. FAR 31.205-1: Costs for advertisement and public relations costs and trade show expense including labor.
11. FAR 31.205-46(d) and 31.205-6(m)(2): Personal use of vehicle and lack of mileage logs and business purpose.
12. FAR 31-205-3: Bad debts and collection costs.
13. FAR 31.205-27 and 31.205-47: Reorganization and capital raising related costs and costs incurred in connection with violation of a law or regulation by the consultant.
14. FAR 31.205-46: Unreasonable costs and costs not supported by documents and lack of business purpose.
15. FAR 31.201-6(a) & CAS 405-40: Labor costs associated with unallowable costs.
16. FAR 31.205-15: Fines and penalties resulting from violations of laws and regulations.