**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.