

**THE MANAGEMENT AND BUDGET ACT (EXCERPT)**  
**Act 431 of 1984**

**18.1460 Indirect cost rate or percentage; determination; report; request for appropriations of federal funds not to include funds for indirect costs; charging indirect cost to award, contract, or grant; crediting indirect cost; availability of revenues.**

Sec. 460.

(1) A state agency shall determine what the indirect cost rate or percentage is for that state agency and shall report that indirect cost rate or percentage to the department, the appropriations committees, and the fiscal agencies. A state agency's request for appropriations of federal funds shall not include funds provided for indirect costs.

(2) A state agency which has received an award, contract, or grant shall charge the applicable indirect cost to that award, contract, or grant. The indirect cost shall be credited as revenue to the respective state funds to offset state expenditures for support services for which indirect costs were provided. These revenues shall be available to meet the required 1% payment to the civil service commission as set forth in section 5 of article XI of the state constitution of 1963 , as it applies to salaries and wages funded from federal revenues.

**History:** 1984, Act 431, Eff. Mar. 29, 1985

**Popular Name:** Act 431

**Popular Name:** DMB