



STATE OF NEW JERSEY

DEPARTMENT OF EDUCATION

A Memo from the New Jersey Department of Education

Date: May 7, 2025
To: Local Educational Agency Leads
Route To: School Business Administrators/Board Secretaries
From: Thomas McMahon, Director
Office of Fiscal Policy and Planning
Division of Finance and Business Services

Release of District, Charter, and Renaissance School Indirect Cost Rates for Fiscal Year 2025-2026

This memo announces the New Jersey Department of Education's (NJDOE) Division of Finance & Business Services, Office of Fiscal Policy & Planning, issuance of approved local educational agency (LEA) restricted and unrestricted indirect cost rates, pursuant to applications submitted by each school for the fiscal year beginning July 1, 2025.

The 2025-2026 indirect cost rates calculated for your LEA are accessible through the "Indirect Cost Rate Notification" link on the [NJDOE Homeroom](#) webpage. For audit purposes, please maintain documentation of your school's rate determination for a period of at least seven (7) years by printing or scanning a copy of your school's rate forms to preserve at the school's business office.

The annual calculation and release of approved indirect cost rates is pursuant to the multi-year Local Education Agency Indirect Cost Proposal and Delegation Agreement control number 2019-040(B), which is effective until June 30, 2025, between the NJDOE and the U.S. Department of Education. That agreement and related indirect cost-rate information is available on the [NJDOE's School Finance](#) webpage.

Please note that obtaining an approved rate from the NJDOE does not automatically authorize the use of the rate when the LEA elects to charge indirect costs to a federal program or grant. Consult with your program or grant contact for budgetary guidance and for approval to use the approved rate(s) for any specific federal program or federal grant.

Accounting and reporting guidance for charges to federal grants and awards is available in the [Indirect Cost Rate User Manual](#).

For questions regarding distribution of the indirect cost rates, email IndirectCostRate@doe.nj.gov. Questions regarding the use of the rates for federal grants should be addressed to your respective grant contact.

c: Members, State Board of Education
NJDOE Staff
NJ LEE Group
Statewide Parent Advocacy Network
Garden State Coalition of Schools

