Attachment VIII

**NEGOTIATED INDIRECT COST RATE AGREEMENT**

**ORGANIZATION: DATE: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

Agency Name

Address:

City, State, ZIP

The rates approved in this Agreement are for use on grants, contracts, and other government agreements with the Federal Government (2 CFR Part 230) applies, and is subject to the conditions in Section II, A below. The rates were negotiated by (Agency Name) and Substance Abuse Prevention and Control in accordance with the authority contained in the Federal Register 200.19.

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**SECTION I: RATES**

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 **EFFECTIVE PERIOD**

**TYPE FROM TO RATE LOCATION APPLICABLE TO**

Provisional 7/1/2015 6/30/16 61.03% All All Programs

**BASE:**

Total direct cost excluding capital expenditures (building, individual items of equipment, alterations and renovations).

**TREATMENT OF FRINGE BENEFITS:**

Fringe benefits are specifically identified to each employee and are charged individually as direct or indirect cost as applicable.

**TREATMENT OF PAID ABSENCES:**

Sick leave, holiday, and other paid absences are included in salaries and wages and are claimed on contracts, (and other agreements) as part of the normal cost for salaries and wages.

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**SECTION II: GENERAL**

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A. LIMITATIONS: Use of the rates contained in this Agreement is subject to all statutory or administrative limitations, and is applicable to the contract, federal awards, and grants only to the extent that funds are available. Acceptance of the rates agreed to herein is predicated upon the following condition:

* That no cost other than those incurred by (Agency name) were included in our indirect cost as finally accepted, and that such incurred cost are legal obligations of (Agency name), and allowable under the governing cost principles.
* That the same costs that have been treated as indirect costs have not been claimed as direct costs.
* The similar types of costs have been accorded consistent treatment, and
* That the information provided by (Agency name) was used as a basis for acceptance of the rates agreed to herein was not found to be materially inaccurate.

The elements of indirect cost and the type of distribution base used in computing our provisional rates are subject to revision when final rates are negotiated. Also, the rates cited in this Agreement are subject to audit, and if such audit determines unallowable costs to be material in nature the rates previous negotiated must be re-negotiated.

B. **CHANGES:**  (Agency name) is required to provide written notification to the indirect cost negotiator prior to implementing any changes which could affect the applicability of the approved rates. Any changes require the written approval of Substance Abuse Prevention and Control. Failure to obtain such prior written approval may result in cost disallowance.

C. **NOTIFICATION TO OTHER AGENCIES:**  A copy of this document is to be provided by (Agency name) to other funding sources as a means of notifying them of the Agreement contained herein.

D. **PROVISIONAL – FINAL RATE:**  A provisional rate must be established with 90 days of award of contract. (Agency name) must submit a proposal to establish a final rate with six months after their fiscal year end. Billing must be adjusted if the final rate varies from the provisional rate. If the rate is greater than the provisional rate, and there are no funds available to cover the additional indirect costs, the agency may not recover all indirect costs. Conversely, if the final rate is less than the provisional rate, the agency will be required to pay back the difference to the funding agency. Indirect cost allocable to a particular award of other cost objective may not be shifted to other awards.

E. **SPECIAL REMARKS:**

1. Any indirect costs charged to (Agency name) contracts, grants or other funding sources by means other than the rates cited in this Agreement will be adjusted to the applicable rated cited herein.

2. Any funding contract that provides a ceiling for indirect cost rates or amounts will be subject to the ceiling stipulated in the agreement. The ceiling rate or the rate cited in this Agreement, whichever is lower, will be used to determine the maximum allowable indirect cost on all applicable contracts with (Agency name).

3. All administrative costs consist of all Direct and Indirect costs associated with the management of (Agency name).

4. The indirect cost pool consists of its allocable share of the following administrative expenses. All costs identifiable to a specific contract will be charged directly.

 List all indirect cost pools, i.e.

* Salaries
* 100% indirect – President, Executive Director, etc.
* The remaining salaries are charged with to direct or indirect cost by time sheet.
* Employee fringe benefits for indirect employees – FICA, Unemployment, etc. (list all fringe benefits)
* Supplies
* Office expense
* List all other indirect cost pools