

Negotiated Indirect Cost Rate Agreement - Example
Nonprofit Organization

ORGANIZATION:
 XYZ Organization
 1234 5th Street, N.W.
 Washington, D. C. 26789

DATE: May 20, 2011
FILE REF:

The rates approved in this Agreement are for use on grants, contracts, and other agreements with the Federal Government to which OMB Circular A-122 applies, subject to the conditions and limitations in Section II of this agreement. The rates were negotiated by ABC Organization and the U.S. Department of XYZ in accordance with the authority contained in the Circular.

SECTION I: RATES

TYPE	EFFECTIVE PERIOD		RATE	LOCATION	APPLICABLE TO
	FROM	TO			
Final	7/1/2009	6/30/2010	7.74%	All	All Programs
Final	7/1/2010	6/30/2011	9.24%	All	All Programs
Provisional	7/1/2011	6/30/2012	8.75%	All	All Programs
Provisional	7/1/2012	6/30/2013	9.00%	All	All Programs

SECTION II: BASE:

*Total direct costs excluding capital expenditures (buildings, individual items of equipment; alterations and renovations), and that portion of each sub-award in excess of \$25,000. Fringe benefits are specifically identified to each employee and are charged individually as direct or indirect costs (as applicable).

SECTION III: GENERAL

- A. **LIMITATIONS:** Use of the rate(s) contained in the Agreement is subject to all statutory or administrative limitations and is applicable to a given grant or contract only to the extent that funds are available. Acceptance of the rate(s) agreed to herein is predicated upon the following conditions:
- (1) that the same costs that have been treated as indirect costs have not been claimed as direct costs,
 - (2) that similar types of costs have been accorded consistent treatment, and
- B. **PROVISIONAL-FINAL RATES:** Provisional rates must be established within 90 days of the award. The grantee/contractor must submit a proposal to establish a final rate within six months after their fiscal year end. Billings and charges to federal awards must be adjusted if the final rate varies from the provisional rate. If the final rate is greater than the provisional rate and there are no funds available to cover the additional indirect costs, the organization may not cover all indirect costs. Conversely, if

the final rate is less than the provisional rate, the organization will be required to pay back the difference to the funding agency. Indirect costs allocable to a particular award or other cost objective may not be shifted to other Federal awards to overcome

- C. SPECIAL REMARKS: Indirect costs charged to Federal grants/contracts by means other than the rate(s) cited in this Agreement should be adjusted to the applicable rate(s) cited herein and be applied to the appropriate base to identify the proper amount of indirect costs allocable to the program.

SECTION IV: ACCEPTANCE

Organization Name
Street Address
City, State and Zip Code

Cognizant Agency Name
Street Address
City State and Zip Code

Signature

Signature

Name

Name

Title

Title

Date

Date

Telephone Number

