

**NEGOTIATED INDIRECT COST RATE AGREEMENT  
STATE AND LOCAL GOVERNMENTS**

EIN: 75-60490124

**DEPARTMENT/AGENCY:**  
North Central Texas Council of Governments  
P. O. Box 5888  
Arlington, TX 76005-5888

**DATE:** October 31, 2017  
**FILE REFERENCE:** This replaces the  
Agreement dated: October 31, 2016

The rate(s) approved in this Agreement are for use on grants, contracts, and other agreements with the Federal Government. 2 CFR Part 200, Subpart E, applies, subject to conditions in Section II, A, below. The rate(s) were negotiated by the North Central Texas Council of Governments and the U. S. Department of Labor in accordance with the authority contained in 2 CRF Part 200, Appendix VII, D.1.

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**SECTION I: RATES**

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<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE*</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			
Final	10/01/15	9/30/16	16.83%	All	DOL/ETA Programs
Provisional	10/01/16	9/30/17	17.40%	All	DOL/ETA Programs
Provisional	10/01/17	9/30/18	17.30%	All	DOL/ETA Programs
Final	10/01/15	9/30/16	17.21%	All	Non-DOL/ETA Programs
Provisional	10/01/16	9/30/18	17.70%	All	Non-DOL/ETA Programs

**(SEE SPECIAL REMARKS)**

**\*BASE:** Direct salaries and wages including temporary labor plus all fringe benefits.

**TREATMENT OF FRINGE BENEFITS:** Fringe benefits applicable to direct salaries and wages are treated as a direct cost. Fringe benefits are listed by type in the Special Remarks Section of this Agreement.

**TREATMENT OF PAID ABSENCES:** Vacation, holiday, sick leave pay and other paid absences are included in the organization's fringe benefit rate and are not included in the direct cost of salaries and wages. Allocable fringe benefits are claimed as a separate direct cost line item on grants, contracts and other agreements using the fringe benefit rate.

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## SECTION II: GENERAL

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- 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 Federal award 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 no costs other than those incurred by the non-Federal entity or contractor were included in its indirect cost pool as finally accepted and that such incurred costs are legal obligations of the non-Federal entity and allowable under the governing cost principles,
  - (2) that the same costs that have been treated as indirect costs have not been claimed as direct costs,
  - (3) that similar types of costs have been accorded consistent treatment, and
  - (4) that the information provided by the non-Federal entity or contractor which was used as a basis for acceptance of the rate(s) agreed to herein is not subsequently found to be materially inaccurate by the Federal government. In such situations, the rate(s) may be subject to renegotiation at the discretion of the Federal government.
  - (5) The rates cited in this Agreement are subject to audit.
- B. **ACCOUNTING CHANGES:** This agreement is based on the accounting system purported by the non-Federal entity or contractor to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval from the Office of Cost Determination. Such changes include, but are not limited to changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.
- C. **NOTIFICATION TO FEDERAL AGENCIES:** A copy of this document is to be provided by the non-Federal entity or contractor to other Federal funding sources as a means of notifying them of the Agreement contained herein.
- D. **PROVISIONAL-FINAL RATES AND ADJUSTMENTS:** When seeking initial reimbursement of indirect costs using the provisional/final rate methodology, a provisional proposal must be submitted within 90 days of receiving a Federal award (financial assistance, grants, cooperative agreements, and cost reimbursable contracts) that requires accounting for actual costs incurred. The non-Federal entity or contractor must submit an indirect cost rate proposal within six (6) months after the end of their fiscal year to establish a final rate.

Once a final rate is negotiated, 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 non-Federal entity or contractor may not recover all indirect costs. Conversely, if the final rate is less than the provisional rate, the non-Federal entity or contractor will be required to reimburse the funding agency for the excess billings.

Non-Federal entities or contractors receiving a Federal cost reimbursable contract(s) - Must adhere with FAR 52.216-7(d)(2)(v), to settle final indirect cost rates typically on an annual basis:

“The contractor shall update the billings on all contracts to reflect the final settled rates and update the schedule of cumulative direct and indirect costs claimed and billed, as required in paragraph (d)(2)(iii)(I) of this sections, within 60 days after settlement of final indirect cost rates.”

In addition, the contractor shall provide to the Contracting Officer the noted cumulative costs schedule within 60 days of the execution of this agreement.

If the non-Federal entity or contractor has completed performance under any of the contracts covered by this Agreement, a final invoice or voucher must be submitted no later than 120 days from the date on which this Agreement is executed, following guidance from FAR 52.216-7(d)(5) and FAR 52.216-7(h).

Non-Federal entities receiving Federal awards (financial assistance, grants, and cooperative agreements)  
– Note that even if Federal awards are administratively closed prior to the settlement of final indirect cost rates, non-Federal entities still must comply with the following 2 CFR Part 200 clauses stating, in part:

§200.344 Post-closeout adjustments and continuing responsibilities

(a) The closeout of a Federal award does not affect any of the following:

- (1) The right of the Federal awarding agency or pass-through entity to disallow costs and recover funds on the basis of a later audit or other review. The Federal awarding agency or pass-through entity must make any cost disallowance determination and notify the non-Federal entity within the record retention period.
- (2) The obligation of the non-Federal entity to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments.

§200.345 Collection of amounts due

(a) Any funds paid to the non-Federal entity in excess of the amount to which the non-Federal entity is finally determined to be entitled under the terms of the Federal award constitute a debt to the Federal Government.

(b) Except where otherwise provided by statutes or regulations, the Federal awarding agency will charge interest on an overdue debt in accordance with the Federal Claims Collection Standards (31 CFR parts 900 through 999). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.

**E. SPECIAL REMARKS:**

(1) 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 cited herein and be applied to the appropriate base to identify the

proper amount of indirect costs allocable to the program.

(2) Contracts/grants providing for ceilings as to the indirect cost rate(s) or amount(s) which are indicated in Section I above, will be subject to the ceilings stipulated in the contract or grant agreements. The ceiling rate or the rate(s) cited in this Agreement, whichever is lower, will be used to determine the maximum, allowable indirect cost on the contract or grant agreement.

(3) The indirect cost pool upon which this Agreement is based includes all costs for the Agency Administration Department which has the following pools: Accounting, Accounts Payable/Purchasing, Human Resources/Payroll, Finance/Budget/Audit, Print Shop, Agency Indirect Costs, Agency Training, Executive Director Office, Public Affairs, Graphics Center, Information Center, and Network Service. Any revenue earned by one of the above pools is used to offset expenses for that pool.

(4) Fringe benefit costs include paid absences, FICA, retirement, health and accident insurance, life and disability insurance, unemployment compensation, dental insurance, and workmen's compensation insurance.

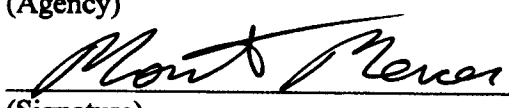
(5) The rates presented for DOL/ETA programs do not apply to H-1B grant funds. Instead, the higher rates presented should be applied to these funds.

(6) The rate(s) established in this Agreement comply with the applicable DOL/ETA salary cap and Technical Employment Guidance Letter (TEGL) 5-06.

**ACCEPTANCE**

**BY THE ORGANIZATION**

North Central Texas Council  
Of Governments  
P.O. Box 5888  
Arlington, TX 76005-5888

(Agency)  
  
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(Signature)

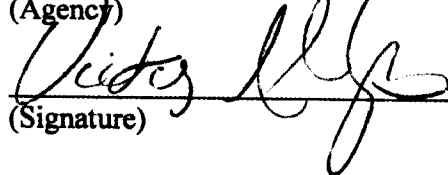
Monte Mercer  
\_\_\_\_\_  
(Name)

Deputy Executive Director  
\_\_\_\_\_  
(Title)

Date: 11/9/17  
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**BY THE COGNIZANT AGENCY ON BEHALF OF THE FEDERAL GOVERNMENT:**

U.S. Department of Labor  
200 Constitution Avenue, N.W., S-1510  
Washington, DC 20210

(Agency)  
  
\_\_\_\_\_  
(Signature)

Victor M. Lopez  
\_\_\_\_\_  
(Name)

Director, Office of Cost Determination  
\_\_\_\_\_  
(Title)

Date: October 31, 2017  
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Negotiated By: Stephen Hobday  
Telephone: (202) 693-4110