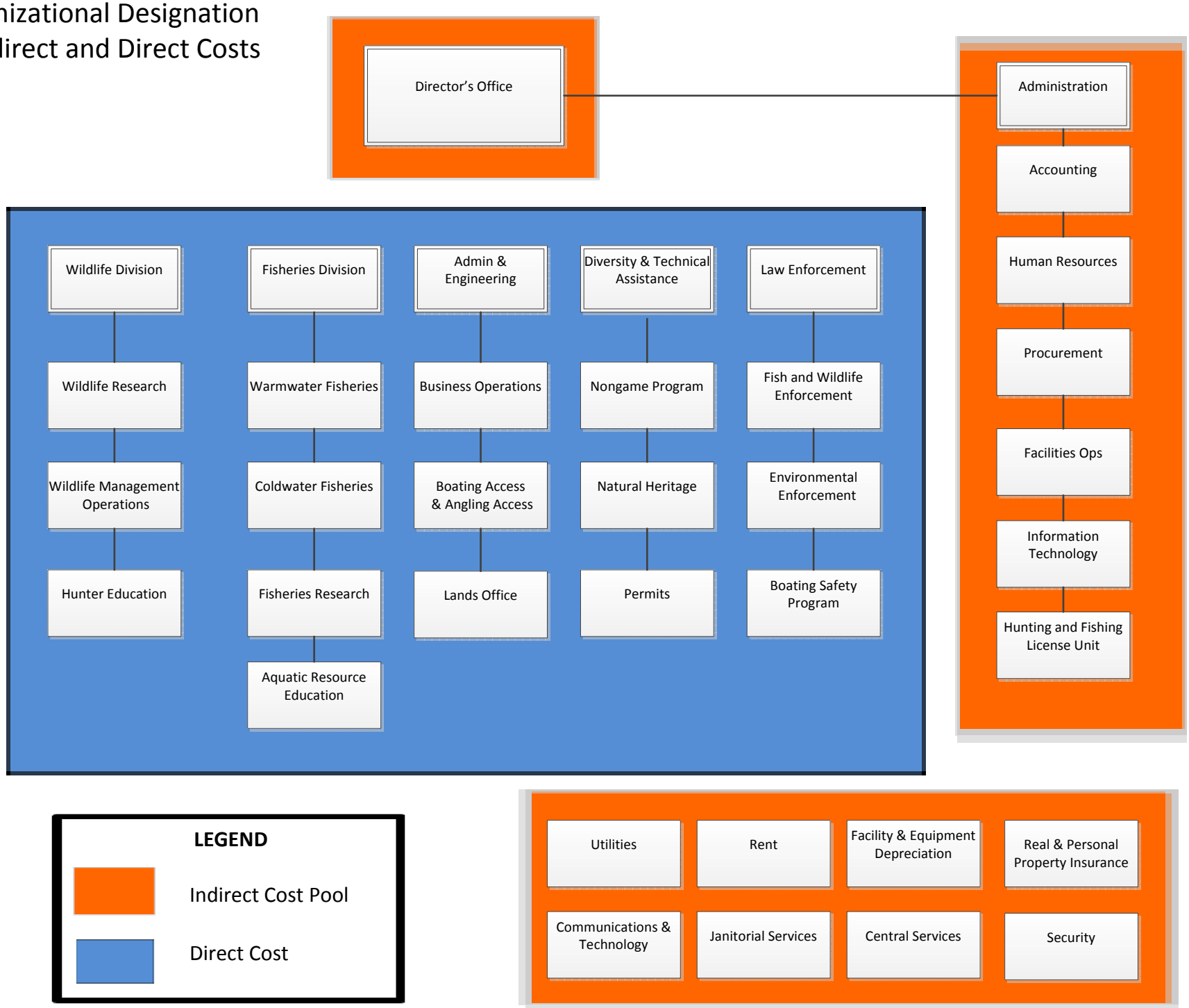
Organizational Designation of Indirect and Direct Costs



Simplified Allocation Method for Indirect Cost

(Dollars in 1,000)

Expense Category	Direct Cost Base		Indirect Cost Pool	Total Expenses
	Federal Projects	Non-Federal Projects		
Salaries / Wages	9,600	32,000	8,000	49,600
Employee Benefits	2,000	6,400	2,500	10,900
Central Services			575	575
Travel	600	1,500	600	2,700
Materials and Supplies	850	1,800	750	3,400
Rent			1,200	1,200
Communications			400	400
Utilities			850	850
Advertising			150	150
Equipment	800	2,400	700	3,900
Subcontracts / Grants	365	150	0	515
Land Acquisition	1,000	3,000	0	4,000
Total	14,215	44,250	15,725	78,190
Less Unallowable				
Advertising			150	
Central Services			155	
Allowable Costs	14,215	44,250	15,420	78,190

Notes:

1 The Federal project expenses are total costs associated with Federal awards (federal & match).

2 Advertising is an unallowable cost for Federal awards

3 The 3% limitation on central services makes part of the central services unallowable for Wildlife and Sport Fish funded projects

4 Only the first $25,000 of contracts and grants can be claimed using MTDC base

Grants and Contracts Detail
(Dollars in 1,000)

Recipient	Federal F&W	Non-Federal F&W	Award / Contract Purpose
University of Protection	125		Elk reintroduction feasibility study
Protection Tech	75		Analysis of riparian zone in central Protection
Smith Construction Company	20		Construction of boating access facility
Yummy Fish Food Inc.	100		Fish food for hatcheries
Sky High Flight Services		50	Flights to support aerial telemetry work on white-tailed deer
University of Protection	15		Genetic tissue analysis
University of Protection		25	Survey of woodrats in northern counties of Protection
Protection Tech		30	Statistical analysis of Ruffed Grouse data
The Result U Want Consulting	30		Development of environmental assessment for boating access
You Do the Work We Get Paid Consulting		45	Study on alternative funding for agency
TOTALS	365	150	

Worksheet for Calculating Allowable Contracts/Grants for Modified Total Direct Cost Base

				Totals
Number of contracts/grants greater > $ 25		X 25	=	
Total $ value of all contracts/grants < $ 25	→			
TOTAL ALLOWABLE CONTRACTS/GRANTS				

Calculating Indirect Rates using Different Bases

(Dollars in 1,000)

Indirect Base Method	Indirect Cost Pool	Direct Cost Base	Indirect Cost Rate
Salaries / Wages	15,420		
Salaries / Wages + Fringe	15,420		
Modified Total Direct Costs	15,420		

Notes:

1 - Divide the indirect cost pool by the direct cost base to determine the rate

2- For modified total direct costs the exclusions are capital outlays, equipment and the first 25,000 of each contract/subaward

Applying Indirect Using Different Bases

(Dollars in 1,000)

Expenditure by Class	Dollar Amount
Salaries and Wages	125
Fringe Benefits	25
Supplies	12
Travel	14
Vehicle Expense	18
Equipment	25
Contracts / Grants	50
TOTAL DIRECT CHARGES	269

Notes:

1- The Contracts / Grants expenditures consist of 3 procurements ($10, $7 and $33).

Calculate the dollar amount for each indirect cost rate base

Indirect Rate Base Types	Rate	Base	Total Amount of Indirect
Salaries / Wages			
Salaries / Wages + Fringe			
Modified Total Direct Costs			

Calculate the total charges to the award under each scenario

Indirect Rate Base Types	Total Direct	Total Indirect	Total Outlays
Salaries / Wages			
Salaries / Wages + Fringe			
Modified Total Direct Costs			

State and Local Governments
Indirect Cost Negotiation Agreement

EIN: 82-6000952

Organization:

Idaho Department of Fish and Game
P.O. Box 25
Boise, ID 83707-0025

Date: August 24, 2015

Report No(s).: 15-A-1034

Filing Ref.:
Last Negotiation Agreement
dated September 10, 2014

The indirect cost rate contained herein is for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR Part 200 applies for fiscal years beginning on or after December 26, 2014 subject to the limitations in Section II.A. of this agreement. Applicable OMB Circulars and the regulations at 2 CFR 225 will continue to apply to federal funds awarded prior to December 26, 2014. The rate was negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in applicable regulations.

Section I: Rate

Effective Dates

Rate

Rate Type

Type	Effective Period From	Effective Period To	Rate*	Locations	Applicable To
Fixed Carryforward	07/01/15	06/30/16	29.52	All	All Programs

***Base:** Total direct salaries and wages, <u>including</u> fringe benefits. The rate applies to all programs administered by the non-federal entity. To determine the amount of indirect costs to be billed under this agreement, direct salaries and wages and related fringe benefits should be summed and multiplied by the rate. All other program costs should be eliminated from the calculation.

Description of Base

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

Section II: General

A. **Limitations:** Use of the rate(s) contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

State and Local Governments
Indirect Cost Negotiation Agreement

EIN: 91-1632572

Organization:

State of Washington
Department of Fish and Wildlife
600 Capitol Way N
Olympia, WA 98501-1091

Date: July 14, 2015

Report No(s).: 15-A-0880

Filing Ref.:
Last Negotiation Agreement
dated June 24, 2014

The indirect cost rate contained herein is for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR Part 200 applies for fiscal years beginning on or after December 26, 2014 subject to the limitations in Section II.A. of this agreement. Applicable OMB Circulars and the regulations at 2 CFR 225 will continue to apply to federal funds awarded prior to December 26, 2014. The rate was negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in applicable regulations.

Section I: Rate

Type	Effective Period From	Effective Period To	Rate*	Locations	Applicable To
Fixed Carryforward	07/01/15	06/30/16	29.21%	All	All Programs

***Base:** Total direct costs, less capital expenditures and passthrough funds. Passthrough funds are normally defined as payments to participants, stipends to eligible recipients, subcontracts and subgrants, all of which normally require minimal administrative effort.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as

Clarifying language regarding subgrants and subcontracts

Section II: General

A. **Limitations:** Use of the rate(s) contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

State and Local Governments
Indirect Cost Negotiation Agreement

EIN: 64-0897726

Organization:

Mississippi Department of Wildlife,
Fisheries and Parks
1505 Eastover Drive
Jackson, MS 39211

Date: July 15, 2014

Report No(s).: 14-A-0928

Filing Ref.:
Last Negotiation Agreement
dated September 30, 2013

Example of a multiple allocation method

The indirect cost rates cont grants, contracts, and other agreements with t hich 2 CFR 225 (OMB Circular A-87) applies, subje ction II.A. of this agreement. The rates were ne ent of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in 2 CFR 225.

Section I: Rates

Type	Effective Period From	Effective Period To	Rate	Locations	Applicable Federal To	%in Base
Fixed Carryforward	07/01/14	06/30/15	42.86%*	All	Fisheries (DJ)	85%
Fixed Carryforward	07/01/14	06/30/15	78.43%*	All	Game (PR)	65%
Fixed Carryforward	07/01/14	06/30/15	45.18%*	All	Hunter Edu.(PR)	100%
Fixed Carryforward	07/01/14	06/30/15	37.58%*	All	Law Enforc.	20%
Fixed Carryforward	07/01/14	06/30/15	19.55%*	All	Boat Safety	10%
Fixed Carryforward	07/01/14	06/30/15	81.85%*	All	Boat Regis.	90%
Fixed Carryforward	07/01/14	06/30/15	129.36%*	All	Parks	0%
Fixed Carryforward	07/01/14	06/30/15	125.24%**	All	Museum	40%

***Base:** Total direct salaries and wages, including fringe benefits.
****Base:** Total direct costs, less capital expenditures and passthrough funds.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

Section II: General

A. **Limitations:** Use of the rate(s) contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

State and Local Governments
Indirect Cost Negotiation Agreement

EIN: 94-1697567

Organization:

California Department of Fish
and Wildlife
1416 9th Street, Suite 117
Sacramento, CA 95814

Date: June 25, 2015

Report No(s).: 15-A-0810

Filing Ref.:
Last Negotiation Agreement
dated June 4, 2014

The indirect cost rates contained herein are for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR Part 200 applies for fiscal years beginning on or after December 26, 2014 subject to the limitations in Section II.A. of this agreement. Applicable OMB Circulars and the regulations at 2 CFR 225 will continue to apply to federal funds awarded prior to December 26, 2014. The rates were negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in applicable regulations.

Example of where 3% limitation in SWCAP impacted indirect rate

Section I: Rates

Type	Effective Period From	Effective Period To	Rate*	Locations	Applicable To
Fixed Carryforward	07/01/15	06/30/16	27.63%	All	PR-SFRA
Fixed Carryforward	07/01/15	06/30/16	38.44%	All	All Others

***Base:** Total direct costs less capital expenditures, passthrough funds, fish foods and contractual costs.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

Example of a distorting items based on the mission of the agency

Section II: General

A. **Limitations:** Use of the rate(s) co[illegible]ct to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

State and Local Governments
Indirect Cost Negotiation Agreement

EIN: 73-6502734

Organization:

North Carolina Wildlife Resources Commission
1701 Mail Service Center
Raleigh, NC 27699-1701

Date: March 31, 2014

Report No(s).: 14-A-0552

Filing Ref.:
Last Negotiation Agreement
dated June 10, 2013

The indirect cost rate(s) contained herein are for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR 225 (OMB Circular A-87) applies, subject to the limitations in Section II.A. of this agreement. The rate(s) were negotiated by the U.S. Department of the Interior, Interior Business Center, and the subject organization in accordance with the authority contained in 2 CFR 225.

Section I: Rate(s)

Is this a high rate?

Type	Effective Period From	Effective Period To	Rate*	Locations	Applicable To
Fixed Carryforward	07/01/14	06/30/15	75.20%	All	All Programs

***Base:** Total direct salaries and wages, excluding fringe benefits.

Treatment of fringe benefits: Fringe benefits applicable to both direct and indirect salaries and wages are treated as indirect costs.

Section II: General

A. **Limitations:** Use of the rate(s) contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate(s) agreed to herein is predica costs other than those incurred by the su n its indirect cost rate proposal, (2) a l obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

Fringe for both direct and indirect staff is treated as indirect

B. **Audit:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

C. **Changes:** The rate(s) contained in this agreement are based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in organizational structure, or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate(s) in this agreement, require the prior approval of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowance.

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