



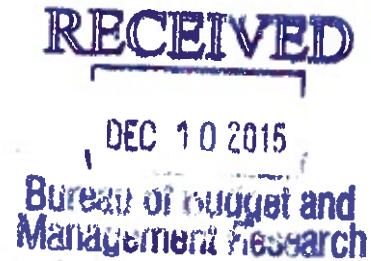
United States Department of the Interior

INTERIOR BUSINESS CENTER
Indirect Cost Services
2180 Harvard Street, Suite 430
Sacramento, CA 95815



November 24, 2015

Mr. Jose S. Calvo, Director
Bureau of Budget and Management Research
Government of Guam
P.O. Box 2950
Hagatna, Guam 96932



Dear Mr. Calvo:

Enclosed is the signed original Negotiated Indirect Cost Rate Agreement that was processed by our office. If you have any questions concerning this agreement, please refer to the signature page for the name and contact number of the negotiator.

As a recipient of federal funds, the regulations require you to maintain a current indirect cost rate agreement. For provisional/final indirect cost rates, Indirect Cost Proposals should be submitted on an annual basis, and they are due within six (6) months after the close of your fiscal year. For predetermined rates and approved rate extensions, proposals are due in our office six (6) months prior to the expiration of your current rate agreement. Please note that proposals are processed on a first-in, first-out basis.

Common fiscal year end dates and proposal due dates are listed below:

Fiscal Year End Date	Proposal Due Date
September 30 th	March 31 st
December 31 st	June 30 th
June 30 th	December 31 st

Please visit our Web site at http://www.doi.gov/ibc/services/Indirect_Cost_Services for guidance and updates on submitting future indirect cost proposals. The website includes helpful tools such as a completeness checklist, indirect cost and lobbying certificates, sample proposals, Excel worksheet templates, and links to other Web sites.

Sincerely,

Deborah A. Moberly
Office Chief

Enclosure

Ref: J:\Other (Non-Profit, Guam, VI, Puerto Rico)\Guam\Guam Government (Ggovg001)\FY 2015\Ggov-IssueLtr.15.docx

Phone: (916) 566-7111

Email: ICS@ibc.doi.gov

Fax: (916)566-7110

Internet: http://www.doi.gov/ibc/services/Indirect_Cost_services

**State and Local Governments
Indirect Cost Negotiation Agreement**

EIN: 98-0018947

Organization:

Government of Guam
Bureau of Budget and Management Research
P.O. Box 2950
Hagatna, Guam 96932

Date: November 24, 2015

Report No(s): 16-A-0174(15C)

Filing Ref.:

Last Negotiation Agreement
dated April 25, 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.

Section I: Rates

Page 1 of 2

Type	Effective Period		Rate*	Locations	Applicable To
	From	To			
Fixed Carryforward	10/01/14	09/30/15	0.00%	All	AHRD
Fixed Carryforward	10/01/14	09/30/15	20.48%	All	Stats/Plans
Fixed Carryforward	10/01/14	09/30/15	18.42%	All	Agr. (PR/DJ)
Fixed Carryforward	10/01/14	09/30/15	0.00%	All	DMHSA
Fixed Carryforward	10/01/14	09/30/15	0.00%	All	Mil Affairs
Fixed Carryforward	10/01/14	09/30/15	32.09%	All	Parks & Rec.
Fixed Carryforward	10/01/14	09/30/15	22.35%	All	DPHSS
Fixed Carryforward	10/01/14	09/30/15	35.89%	All	Public Works
Fixed Carryforward	10/01/14	09/30/15	11.00%	All	DISID
Fixed Carryforward	10/01/14	09/30/15	16.46%	All	Youth Affairs
Fixed Carryforward	10/01/14	09/30/15	0.00%	All	CAHA
Fixed Carryforward	10/01/14	09/30/15	23.65%	All	Energy
Fixed Carryforward	10/01/14	09/30/15	0.00%	All	GEPA
Fixed Carryforward	10/01/14	09/30/15	17.29%	All	Library
Fixed Carryforward	10/01/14	09/30/15	0.00%	All	Governor
Fixed Carryforward	10/01/14	09/30/15	0.00%	All	Child Support
Fixed Carryforward	10/01/14	09/30/15	0.00%	All	Crime Victims
Fixed Carryforward	10/01/14	09/30/15	4.99%	All	DRT
Fixed Carryforward	10/01/14	09/30/15	11.83%	All	Police
Fixed Carryforward	10/01/14	09/30/15	4.83%	All	Labor
Fixed Carryforward	10/01/14	09/30/15	14.80%	All	Homeland Sec.

***Base:** Total direct salaries and wages, excluding 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 should be summed and multiplied by the rate. All other program costs, including fringe benefits associated with direct salaries and wages, should be eliminated from the calculation.

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.

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.

D. Rate Type:

1. **Fixed Carryforward Rate:** A fixed carryforward rate is based on an estimate of the costs that will be incurred during the period for which the rate applies. When the actual costs for such periods have been determined, an adjustment will be made to the rate for future periods, if necessary, to compensate for the difference between the costs used to establish the fixed rate and the actual costs.

2. **Provisional/Final Rates:** Within six (6) months after year end, a final indirect cost rate proposal must be submitted based on actual costs. Billings and charges to contracts and grants 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 recover 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.

3. **Predetermined Rate:** A predetermined rate is an indirect cost rate applicable to a specified current or future period, usually the organization's fiscal year. The rate is based on an estimate of the costs to be incurred during the period. A predetermined rate is not subject to adjustment. (Because of legal constraints, predetermined rates are not permitted for Federal contracts; they may, however, be used for grants or cooperative agreements.)

4. **Rate Extension:** Only final and predetermined rates may be eligible for consideration of rate extensions. Requests for rate extensions of a current rate will be reviewed on a case-by-case basis. If an extension is granted, the non-Federal entity may not request a rate review until the extension period ends. In the last year of a rate extension period, the non-Federal entity must submit a new rate proposal for the next fiscal period.

E. Agency Notification: Copies of this document may be provided to other federal offices as a means of notifying them of the agreement contained herein.

F. Record Keeping: Organizations must maintain accounting records that demonstrate that each type of cost has been treated consistently either as a direct cost or an indirect cost. Records pertaining to the costs of program administration, such as salaries, travel, and related costs, should be kept on an annual basis.

G. Reimbursement Ceilings: Grantee/contractor program agreements providing for ceilings on indirect cost rates or reimbursement amounts are subject to the ceilings stipulated in the contract or grant agreements. If the ceiling rate is higher than the negotiated rates in Section I of this agreement, the negotiated rates will be used to determine the maximum allowable indirect cost.

H. Use of Other Rates: If any federal programs are reimbursing indirect costs to this grantee/contractor by a measure other than the approved rate(s) in this agreement, the grantee/contractor should credit such costs to the affected programs, and the approved rate(s) should be used to identify the maximum amount of indirect cost allocable to these programs.

I. Central Service Costs: If the proposed central service cost allocation plan for the same period has not been approved by that time, the indirect cost proposal may be prepared including an amount for central services that is based on the latest federally-approved central service cost allocation plan. The difference between these central service amounts and the amounts ultimately approved will be compensated for by an adjustment in a subsequent period.

J. Other:

1. The purpose of an indirect cost rate is to facilitate the allocation and billing of indirect costs. Approval of the indirect cost rate does not mean that an organization can recover more than the actual costs of a particular program or activity.

2. Programs received or initiated by the organization subsequent to the negotiation of this agreement are subject to the approved indirect cost rate(s) if the programs receive administrative support from the indirect cost pool. It should be noted that this could result in an adjustment to a future rate.

3. Indirect cost proposals must be developed (and, when required, submitted) within six (6) months after the close of the governmental unit's fiscal year, unless an exception is approved by the cognizant agency for indirect costs.

Section III: Acceptance

Listed below are the signatures of acceptance for this agreement:

By the State & Local Government:

By the Cognizant Federal Government Agency:

Government of Guam
State/Local Government

U.S. Department of the Interior
Agency


_____/s/


_____/s/

JOSE S. CALVO
Name (Type or Print)

Deborah A. Moberly
Name

DIRECTOR, BBMR
Title

Office Chief
Office of Indirect Cost Services
Title

NOV 16 2015
Date

U.S. Department of the Interior
Interior Business Center
Agency
NOV 24 2015
Date

Negotiated by Mark W. Stout
Telephone (916) 566-7270

**Territory-Wide
Central Services Cost Allocation
Negotiation Agreement**

EIN: 98-0018947

Government of Guam
Bureau of Budget and Management Research
P.O. Box 2950
Hagatna, Guam 96932

Date:

Filing Ref.:
Initial Negotiation Agreement

Pursuant to 2 CFR 225 (OMB Circular A-87), the U.S. Department of the Interior, Interior Business Center, approves the central services costs cited in the Supplement of this Agreement. This approval is subject to the conditions in Section II below.

Section I: Costs Distributed Through Allocation Plan

The central services costs listed in the Supplement are approved as follows:

<u>Effective Period</u>	<u>Basis</u>
10/01/2014 to 09/30/2015	Fixed with Carryforward

Central services costs are made up of certain specific operating costs of the departments and offices of the Government of the Guam as listed on the attached Supplement.

The Central Services Cost Allocation, as shown in the Supplement, may be included as part of the costs of Guam's departments, agencies, and offices for further allocation to federal grants and contracts performed by the respective departments, agencies, and offices.

Section II: General

Page 1 of 2

A. Limitations: Use of the central services costs contained in this agreement is subject to any statutory or administrative limitations and when ultimately allocated to individual grants or contracts through the indirect cost rates of each department, agency, and office are applicable only to the extent that funds are available. Acceptance of the amounts agreed to herein is predicated upon the conditions: (1) that no costs other than those incurred by the Government of Guam were included for distribution in its Territory-Wide Central Services Cost Allocation Plan as finally accepted and that such costs are legal obligations of the Government of the Guam and allowable under the governing cost principles, (2) that similar types of costs have been accorded consistent accounting treatment, and (3) that the information provided by the Government of the Guam which was used as the basis for acceptance of the amounts or rates agreed to herein is not subsequently found to be materially incomplete or inaccurate.

B. Changes: The fixed with carryforward amounts, if any, contained in this Agreement are based on the organizational structure and the accounting system in effect at the time the plan was prepared and the Agreement was negotiated. These amounts are subject to modification if changes are made in the organizational structure or in the methods of accounting for costs which affect the amount of reimbursement resulting from use of the amounts. The authorized representative of the Interior Business Center must be notified of such changes prior to their effective date. Failure to provide this notification may result in subsequent cost disallowances.

C. Fixed Amount: If fixed amounts are contained in this Agreement, they are based on an estimate of the costs that will be incurred during the period to which the amounts apply. When the actual costs for such period are determined, adjustments will be made in subsequent negotiations to compensate for the differences between the costs used to establish the fixed amounts and the actual costs.

D. Billed Costs: Charges for the services will be billed in accordance with rates established by the Territory and recorded on the books of the operating department, agency, or office responsible for providing the services. Such charges will be based on actual, allowable costs, as defined in 2 CFR 225 (Circular A-87), incurred by the operating department, agency, or office responsible for providing the services. Variances resulting from differences between billed allowable costs and the actual allowable costs for a particular accounting period will be compensated for by adjusting the rates in a subsequent period.


E. Notification to Federal Agencies: Copies of this document may be provided to other federal agencies as a means of notifying them of the Agreement contained herein.


Section III: Acceptance

Listed below are the signatures of acceptance for this agreement:

By the Government of Guam:

By the Cognizant Federal Government Agency:

 /s/
Signature
JOSE S. CALVO
Name (Type or Print)

 /s/
Signature
Deborah A. Moberly
Name

DIRECTOR, BBMR
Title

Office Chief
Office of Indirect Costs Services
Title

NOV 16 2015
Date

U.S. Department of the Interior
Interior Business Center
Agency

NOV 24 2015
Date

Negotiated by Mark W. Stout
Telephone (916) 566-7270