



United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

State and Local Governments Indirect Cost Negotiation Agreement

EIN: 98-0018947

Date: 02/02/2021

Organization:

Government of Guam
P.O. Box 2950
Hagatna, GU 96932

Report Number: 2020-0706

Filing Ref.:

Last Negotiation Agreement
dated: 02/26/2020

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 subject to the limitations in Section II.A. of this agreement. 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

Start Date	End Date	Rate Type	Name	Rate	Base	Location	Applicable To
10/01/2020	09/30/2021	Fixed Carry forward	Indirect	22.13 %	(A)	All	BOSP
			Indirect	0.00 %	(A)	All	AGR (PR/DJ)
			Indirect	55.11 %	(A)	All	GBHWC
			Indirect	8.31 %	(A)	All	Mil Affairs
			Indirect	84.81 %	(A)	All	Parks & Rec
			Indirect	20.04 %	(A)	All	DPHSS
			Indirect	25.38 %	(A)	All	Public Works
			Indirect	5.12 %	(A)	All	DISID
			Indirect	38.45 %	(A)	All	Youth Affairs
			Indirect	0.16 %	(A)	All	CAHA
			Indirect	1.90 %	(A)	All	Energy
			Indirect	0.00 %	(A)	All	GEPA
			Indirect	1.19 %	(A)	All	Library
			Indirect	4.00 %	(A)	All	Governor
			Indirect	0.00 %	(A)	All	AG-Child Support
Indirect	4.04 %	(A)	All	AG-Crime Victims			
Indirect	5.43 %	(A)	All	DRT			

Section I: Rate (continued)

			Indirect	1.25 %	(A)	All	Police
			Indirect	0.00 %	(A)	All	Labor
			Indirect	0.00 %	(A)	All	DOL-WDTD
			Indirect	8.84 %	(A)	All	Home Sec

(A) 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 accounting system in effect at the time the proposal was submitted. Changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate(s) in this agreement may require the prior approval of the cognizant agency. Failure to obtain such approval may result in subsequent audit disallowance.
- D. **Rate Type:**
1. **Fixed Carryforward Rate:** The 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 period have been determined, an adjustment will be made to the rate for a future period, if necessary, to compensate for the difference between the costs used to establish the fixed rate and the actual costs.
 2. **Provisional/Final Rate:** 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.
- E. **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.
- F. **Agency Notification:** Copies of this document may be provided to other federal offices as a means of notifying them of the agreement contained herein.
- G. **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.
- H. **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 rate in Section I of this agreement, the negotiated rate will be used to determine the maximum allowable indirect cost.
- I. **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

Section II: General (continued)

affected programs, and the approved rate(s) should be used to identify the maximum amount of indirect cost allocable to these programs.

- J. **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.
- K. **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 and Local Governments

By the Cognizant Federal Government Agency

Government of Guam

US Department of the Interior - OIA

DocuSigned by:
Lester Carlson
08A491DC7E82470...

DocuSigned by:
Craig Wills
B47DB1F4A5DB4BF...

Signature

Signature

Lester Carlson Jr.

Craig Wills

Name:

Name:

Director, Bureau of Budget and Management
Research

Division Chief
Indirect Cost Services Division
Interior Business Center

Title:

Title:

2/2/2021

2/2/2021

Date

Date

Negotiated by: Marilyn Elgar
Telephone: (916) 930-3811

Next Proposal Due Date: 03/31/2021

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Title Descriptions	BOSP	Agr (PR/DJ)	GBHWC
FY 2019 Direct Salaries Bases	\$1,528,958	\$3,351,716	\$8,073,994
FY 2019 Indirect Cost Rates	33.60%	7.36%	11.88%
FY 2019 Recoverable Indirect Costs	\$513,730	\$246,686	\$959,190
FY 2019 Indirect Costs	\$271,160	\$0	\$2,082,368
FY 2019 CSCAP's	121,491	211,805 ^{1/}	640,434
FY 2017 Under(Over)recovery Carryforwards to FY 2019	31,833	(137,916)	(19,803)
FY 2019 Indirect Cost Pools	424,484	73,889	2,702,999
Less: FY 2019 Recoverable Indirect Costs	(513,730)	(246,686)	(959,190)
FY 2019 Under(Over)recovery Carryforwards to FY 2021	(89,246)	(172,797)	1,743,809
FY 2021 Indirect Costs	271,160	0	2,082,368
FY 2021 CSCAP's	156,433	104,773	623,517
FY 2021 Indirect Cost Pools	\$338,347	(\$68,024)	\$4,449,694
FY 2021 Direct Salaries Bases	\$1,528,958	\$3,351,716	\$8,073,994
Computed FY 2021 Indirect Cost Rates	22.13%	-2.03%	55.11%
Accepted FY 2021 Indirect Cost Rates	22.13%	0.00%	55.11%

1/ The negotiated Agr (PR/DJ) CSCAP is adjusted to exclude the amount in excess of the 3% limitation.

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Title Descriptions	Mil Affairs	Parks & Rec	DPHSS
FY 2019 Direct Salaries Bases	\$1,666,097	\$1,343,897	\$18,470,487
FY 2019 Indirect Cost Rates	4.81%	67.31%	19.40%
FY 2019 Recoverable Indirect Costs	\$80,139	\$904,577	\$3,583,274
FY 2019 Indirect Costs	\$0	\$709,012	\$1,078,457
FY 2019 CSCAP's	125,063	155,304	2,807,016
FY 2017 Under(Over)recovery Carryforwards to FY 2019	(48,423)	193,815	(430,215)
FY 2019 Indirect Cost Pools	76,640	1,058,131	3,455,258
Less: FY 2019 Recoverable Indirect Costs	(80,139)	(904,577)	(3,583,274)
FY 2019 Under(Over)recovery Carryforwards to FY 2021	(3,499)	153,554	(128,016)
FY 2021 Indirect Costs	0	709,012	1,078,457
FY 2021 CSCAP's	141,975	277,245	2,750,929
FY 2021 Indirect Cost Pools	\$138,476	\$1,139,811	\$3,701,370
FY 2021 Direct Salaries Bases	\$1,666,097	\$1,343,897	\$18,470,487
Computed FY 2021 Indirect Cost Rates	8.31%	84.81%	20.04%
Accepted FY 2021 Indirect Cost Rates	8.31%	84.81%	20.04%

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Title Descriptions	Public Works	DISID	Youth Affairs
FY 2019 Direct Salaries Bases	\$9,080,664	\$856,328	\$3,004,386
FY 2019 Indirect Cost Rates	23.61%	6.47%	31.21%
FY 2019 Recoverable Indirect Costs	<u>\$2,143,945</u>	<u>\$55,404</u>	<u>\$937,669</u>
FY 2019 Indirect Costs	\$1,168,699	\$0	\$822,848
FY 2019 CSCAP's	1,081,267	62,344	183,055
FY 2017 Under(Over)recovery Carryforwards to FY 2019	85,028	(10,396)	(12,924)
FY 2019 Indirect Cost Pools	<u>2,334,994</u>	<u>51,948</u>	<u>992,979</u>
Less: FY 2019 Recoverable Indirect Costs	(2,143,945)	(55,404)	(937,669)
FY 2019 Under(Over)recovery Carryforwards to FY 2021	<u>191,049</u>	<u>(3,456)</u>	<u>55,310</u>
FY 2021 Indirect Costs	1,168,699	0	822,848
FY 2021 CSCAP's	945,236	47,327	277,122
FY 2021 Indirect Cost Pools	<u>\$2,304,984</u>	<u>\$43,871</u>	<u>\$1,155,280</u>
FY 2021 Direct Salaries Bases	<u>\$9,080,664</u>	<u>\$856,328</u>	<u>\$3,004,386</u>
Computed FY 2021 Indirect Cost Rates	<u>25.38%</u>	<u>5.12%</u>	<u>38.45%</u>
Accepted FY 2021 Indirect Cost Rates	<u>25.38%</u>	<u>5.12%</u>	<u>38.45%</u>

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Title Descriptions	CAHA	Energy	GEPA
FY 2019 Direct Salaries Bases	\$308,307	\$261,597	\$2,625,328
FY 2019 Indirect Cost Rates	0.50%	23.02%	0.00%
FY 2019 Recoverable Indirect Costs	\$1,542	\$60,220	\$0
FY 2019 Indirect Costs	\$0	\$0	\$0
FY 2019 CSCAP's	30,303	30,583	173,625
FY 2017 Under(Over)recovery Carryforwards to FY 2019	(28,897)	(1,402)	(450,744)
FY 2019 Indirect Cost Pools	1,406	29,181	(277,119)
Less: FY 2019 Recoverable Indirect Costs	(1,542)	(60,220)	0
FY 2019 Under(Over)recovery Carryforwards to FY 2021	(136)	(31,039)	(277,119)
FY 2021 Indirect Costs	0	0	0
FY 2021 CSCAP's	627	36,006	144,811
FY 2021 Indirect Cost Pools	\$491	\$4,967	(\$132,308)
FY 2021 Direct Salaries Bases	\$308,307	\$261,597	\$2,625,328
Computed FY 2021 Indirect Cost Rates	0.16%	1.90%	-5.04%
Accepted FY 2021 Indirect Cost Rates	0.16%	1.90%	0.00%

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Title Descriptions	Library	Governor	AG-Child Support
FY 2019 Direct Salaries Bases	\$631,871	\$6,168,120	\$2,471,613
FY 2019 Indirect Cost Rates	15.04%	0.00%	0.00%
FY 2019 Recoverable Indirect Costs	\$95,033	\$0	\$0
FY 2019 Indirect Costs	\$0	\$0	\$0
FY 2019 CSCAP's	104,192	362,991	105,819
FY 2017 Under(Over)recovery Carryforwards to FY 2019	(8,326)	(390,406)	(323,615)
FY 2019 Indirect Cost Pools	95,866	(27,415)	(217,796)
Less: FY 2019 Recoverable Indirect Costs	(95,033)	0	0
FY 2019 Under(Over)recovery Carryforwards to FY 2021	833	(27,415)	(217,796)
FY 2021 Indirect Costs	0	0	0
FY 2021 CSCAP's	6,706	274,051	63,680
FY 2021 Indirect Cost Pools	\$7,539	\$246,636	(\$154,116)
FY 2021 Direct Salaries Bases	\$631,871	\$6,168,120	\$2,471,613
Computed FY 2021 Indirect Cost Rates	1.19%	4.00%	-6.24%
Accepted FY 2021 Indirect Cost Rates	1.19%	4.00%	0.00%

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Title Descriptions	AG-Crime Victims	DRT	Police
FY 2019 Direct Salaries Bases	\$259,529	\$7,346,073	\$21,094,515
FY 2019 Indirect Cost Rates	14.82%	6.54%	0.00%
FY 2019 Recoverable Indirect Costs	\$38,462	\$480,433	\$0
FY 2019 Indirect Costs	\$0	\$0	\$0
FY 2019 CSCAP's	38,589	440,991	869,054
FY 2017 Under(Over)recovery Carryforwards to FY 2019	(7,706)	19,029	(1,420,266)
FY 2019 Indirect Cost Pools	30,883	460,020	(551,212)
Less: FY 2019 Recoverable Indirect Costs	(38,462)	(480,433)	0
FY 2019 Under(Over)recovery Carryforwards to FY 2021	(7,579)	(20,413)	(551,212)
FY 2021 Indirect Costs	0	0	0
FY 2021 CSCAP's	18,076	419,117	815,222
FY 2021 Indirect Cost Pools	\$10,497	\$398,704	\$264,010
FY 2021 Direct Salaries Bases	\$259,529	\$7,346,073	\$21,094,515
Computed FY 2021 Indirect Cost Rates	4.04%	5.43%	1.25%
Accepted FY 2021 Indirect Cost Rates	4.04%	5.43%	1.25%

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Title Descriptions	Labor	DOL-WDTD	Home Sec
FY 2019 Direct Salaries Bases	\$2,358,625	\$1,246,817	\$1,647,481
FY 2019 Indirect Cost Rates	16.14%	0.00%	11.34%
FY 2019 Recoverable Indirect Costs	\$380,682	\$0	\$186,824
FY 2019 Indirect Costs	\$0	\$0	\$0
FY 2019 CSCAP's	164,146	107,047	105,408
FY 2017 Under(Over)recovery Carryforwards to FY 2019	(5,419)	(4,983,691)	(17,634)
FY 2019 Indirect Cost Pools	158,727	(4,876,644)	87,774
Less: FY 2019 Recoverable Indirect Costs	(380,682)	0	(186,824)
FY 2019 Under(Over)recovery Carryforwards to FY 2021	(221,955)	(4,876,644)	(99,050)
FY 2021 Indirect Costs	0	0	0
FY 2021 CSCAP's	50,450	158,104	244,643
FY 2021 Indirect Cost Pools	(\$171,505)	(\$4,718,540)	\$145,593
FY 2021 Direct Salaries Bases	\$2,358,625	\$1,246,817	\$1,647,481
Computed FY 2021 Indirect Cost Rates	-7.27%	-378.45%	8.84%
Accepted FY 2021 Indirect Cost Rates	0.00%	0.00%	8.84%