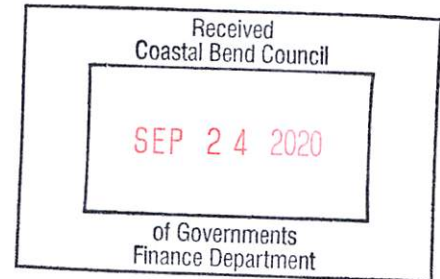




September 17, 2020

Ms. Veronica Toomey
Coastal Bend Council of Governments
2910 Leopard Street
Corpus Christi, Texas 78408

Re: Indirect Cost Rate Agreement
TIN 17415862303



Dear Ms. Toomey:

Thank you for your submission of the FY20 Indirect Cost Rate Proposal and related documentation for review and consideration by Health and Human Services (HHS) Indirect Cost Rate Group. The aforementioned documents have been reviewed using criteria established by HHS and Title 2, Code of Federal Regulation (CFR) Part 200.

Approval of the indirect cost rates is predicated upon the following conditions:

- All costs included in the proposal are allowable in accordance with the requirements of the award to which they apply.
- Unallowable costs have been adjusted appropriately when allocating costs identified in the proposal.
- The same costs that have been treated as indirect costs have not been claimed as direct costs.
- The information provided by your agency which was used as a basis for approval of the rate(s) agreed to herein is not subsequently found to be materially inaccurate.

Title 12, Texas Local Government Code § 391.0115(e) limits your organization's indirect costs to 15% or less of your organization's total expenditures.

If there are changes to your organization which may affect the approved rate, you must notify HHS Indirect Cost Rate Group via the [Landing Page for Subrecipients](#). Select "Upload Additional Documents" from the drop-down menu and choose the appropriate document type. Failure to notify HHS may result in subsequent cost disallowance.

Ms. Veronica Toomey
September 17, 2020
Page 2

Please reference the enclosed Indirect Cost Rate Agreement for additional details regarding the approved indirect cost rate.

If you have any additional questions, submit a Technical Assistance request via the [Landing Page for Subrecipients](#).

Sincerely,

A handwritten signature in black ink that reads "Racheal Kane". The signature is written in a cursive, flowing style.

Racheal Kane | Federal Funds Director
Health and Human Services Commission
4900 N. Lamar Blvd. | Austin, Texas 78751
Office: (512) 424-6663 | Cell: (512) 466-4665
racheal.kane@hhsc.state.tx.us



TIN#: 17415862303

DATE: September 10, 2020

CONTACT NAME: Veronica Toomey
GRANTEE: Coastal Bend Council of Governments
ADDRESS: PO Box 9909, Corpus Christi, TX 78469-9909

The indirect cost rate(s) contained herein are for use on grants with Federal, State, or both governments to which 2 CFR Part 200 – Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards or the State of Texas Uniform Grant Management Standards apply, subject to the limitations contained in the sections below.

SECTION 1: HHS SYSTEMS ISSUED RATE(S)

HHS System Issued Rate

Rate Type	RATE PERIOD		Rate	Rate Base
	Start Date	End Date		
Fixed Carry-forward	1/1/2020	12/31/2020	32.25%*	Direct Salaries

**If the indirect cost rate for the next fiscal year is not approved prior to the new fiscal year, use the current rate as a billing rate until a new rate is established.*

HHS System Rate Based on the Following:

Rate Base:	Direct Salaries
Rate Base Details:	Direct Salaries is all salaries and wages charged directly for actual time worked, plus Paid Time Off (PTO), which is charged to eligible staff salaries at a rate of 20.24% for FY2020.

SECTION 2: ACCOUNTING TREATMENT OF FRINGE BENEFITS COST

Accounting Methods

Paid absences rate:	20.24%
Fringe Benefits:	Charged as incurred.
Paid Absences:	Paid Time Off (PTO) are charged as a percentage of eligible staff salaries. The provisional rate of 20.24% is calculated by dividing the estimated cost of actual time worked, by all organization staff in FY2020.

SECTION 3: Key Deadlines for Proposal Submissions

SECTION 3: Key Deadlines for Proposal Submissions

Submission deadlines

Next Proposal Due

Your fiscal year 2021 proposal must be submitted to the Subrecipient Landing Page no later than April 1, 2021. Select the "Submit ICR Proposal" option to upload all required documents. The proposal packet must be submitted on the HHS ICRG approved ICR Proposal Packet templates. Select "Technical Assistance" to request copies of the approved templates.

In addition, include the cumulative under or over recovery on the schedule of indirect costs on the annual independent audit report. The schedule of indirect costs should show the amount budgeted for indirect costs versus the amount actually recovered.

SECTION 4: KEY GUIDELINES AND CONDITIONS

KEY GUIDELINES

- 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 grantee were included in its indirect cost pool as finally accepted and that such incurred costs are legal obligations of the grantee and allowable under the governing cost principles, (See 2 CFR 200, Subpart E); (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 grantee which was used as a basis for acceptance of the rate(s) agreed to herein is not subsequently found to be materially inaccurate; (5) that a restricted rate or limit to the indirect cost rate or amount is not required under the enabling statute or by the cognizant federal agency; (6) indirect costs may only be recovered to the extent direct costs were incurred; and (7) the rates cited in this Agreement may be subject to audit. Indirect cost elements and the type of distribution base used in computing the rates are subject to revision when a final rate is negotiated to settle the provisional rate or if unusual circumstances affect the negotiated predetermined rate. In such situations, the rate(s) may be subject to renegotiation at the discretion of the cognizant agency.
- B. CHANGES IMPACTING THE INDIRECT COST RATE PROPOSAL:** This agreement is based on the organizational structure and the accounting methodology purported by the grantee to be in effect during the Agreement period. Changes which affect the amount of reimbursement resulting from the use of this Agreement require prior approval from the cognizant organization. Failure to obtain approval may result in subsequent cost disallowance.

C. NOTIFICATION TO FEDERAL AND STATE AGENCIES: A copy of this document may be provided by the grantee to other Federal or State funding sources as a means of notifying them of the Agreement contained herein.

D. APPLICATION OF INDIRECT COST RATE TO EXISTING GRANTS: Indirect costs charged to a grant by means other than the rate(s) cited in this Agreement should be adjusted to the applicable rate cited herein.

SECTION 5: RATE TYPE DEFINITIONS

A. Provisional Rates and Adjustments: A provisional rate is temporary and used for interim reimbursement. The grantee must submit an indirect cost rate proposal within six (6) months after the end of their fiscal year to establish a final rate based on actual costs.

B. Final Rates and Adjustments: A final rate is the actual rate determined after the close of the fiscal year and is not subject to adjustment. Once a final rate is determined, charges to funding agency 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 grantee may not recover all indirect costs. If the final rate is less than the provisional rate, the grantee will be required to reimburse the funding agency for the excess billings.

C. Fixed Carry-forward and Adjustments: A fixed carry-forward rate means an indirect cost rate which has the same characteristics as a predetermined rate, except that the difference between the estimated costs and the actual, allowable costs of the period covered by the rate is carried forward as an adjustment to the rate computation of a subsequent period. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. Predetermined Rate: The predetermined rate is based on estimated costs for a specified current or future period. The issuance of a predetermined rate depends on the reasonable assurance that the rate is not likely to exceed a rate based on the grantee's actual indirect costs. The predetermined rate is not subject to adjustment except under unusual circumstances. If the grantee's total expenditures increase or decrease by 25 percent or more within a 90-day period during the rate period, the grantee must submit a proposal indicating a rate based on the new expenditure data resulting from the increase or decrease.

SECTION 6. ACCEPTANCE OF AGREEMENT

GRANTEE

COGNIZANT AGENCY

SECTION 6. ACCEPTANCE OF AGREEMENT

Coastal Bend Council of Governments

Grantee Name

John Buckner, Executive Director

Name of Grantee Signature Authority



Grantee Signature

9/11/2020

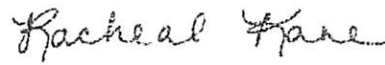
Grantee Signature Date

Health and Human Services Commission

Agency Name

Racheal Kane, Director

Name of Agency Signature Authority



Agency Signature

September 1, 2020

Agency Signature Date

