

**DATE:**

**Texas Identification Number (TIN):**

**CONTACT NAME:**

**GRANTEE:**

**ADDRESS:**

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)**

<b>HHS System Issued Rate</b>						
<b>Rate Type</b>	<b>RATE PERIOD</b> Start Date    End Date		<b>Rate</b>	<b>Rate Base*</b>	<b>Applicable To</b>	<b>Next Proposal Due</b>
Fixed with Carry-forward			*	Salaries & Fringe**		

\*If the indirect cost rate for the next fiscal year is not approved prior to the start of the next fiscal year use this rate as a billing rate until a new rate is established. This exception shall not exceed one year from the End Date shown above. ICR Proposals must be submitted within the above timelines to continue recovering indirect costs. Extensions to these dates must be approved by the Indirect Cost Rate Group for extenuating circumstances that may occur.

<b>Rate Base Details</b>
<b>Salaries and Fringe</b> means total direct salaries and 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 fringe should be summed and multiplied by the rate. **Effective FY2026, the base has changed from Direct Salaries to Salaries and Fringe.

**SECTION 2: ACCOUNTING TREATMENT OF FRINGE BENEFITS COST**

<b>Accounting Methods</b>	
<b>Fringe Benefit Rate:</b>	
<b>Fringe Benefits:</b>	
<b>Paid Absences:</b>	

### SECTION 3: Deadlines for Proposal Submissions

Your FY Fixed with Carry-forward ICR proposal with the FY carry-forward adjustment must be submitted via the [ICRG Landing Page](#) no later than Please provide your FY audit report\* along with the ICR Proposal Packet. Select the "Submit ICR Proposal" option to upload all required documents. The proposal packet must be submitted on the HHS Indirect Cost Rate Group approved ICR Proposal Packet templates. Select "Technical Assistance" to request copies of the approved templates.

\*Your audit should include a Schedule of Indirect Costs. The Schedule of Indirect Costs must show the incurred expenses versus the recovered expenses for the carry-forward calculation. Please see the enclosed example.

### SECTION 4: KEY GUIDELINES AND CONDITIONS

- 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) Unallowable costs have been adjusted appropriately when allocating costs identified in the proposal; (3) that the same costs that have been treated as indirect costs have not been claimed as direct costs; (4) that similar types of costs have been accorded consistent treatment; and (5) 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; (6) 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; (7) indirect costs may only be recovered to the extent direct costs were incurred; and (8) 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. To notify us of organizational changes which impact the indirect cost rate, please submit a Technical Assistance request at the Landing Page referenced in Section 3 of this agreement.

**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.

**E. GOVERNMENT COMMISSIONS (REGIONAL PLANNING COMMISSIONS, COUNCILS OF GOVERNMENT, ETC):** Title 12 of Texas Local Government Code §391.0115(e) limits your organization’s indirect costs to 15% or less of your organization's total expenditures, not including capital expenditures, subcontracts, subawards, and pass-through expense.

**SECTION 5: RATE TYPE DEFINITIONS**

**A. 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.

**SECTION 6. ACCEPTANCE OF AGREEMENT**

GRANTEE

COGNIZANT AGENCY

\_\_\_\_\_  
**Grantee Name**

Texas Health and Human Services Commission  
**Agency Name**

\_\_\_\_\_  
Title  
**Name of Grantee Signature Authority**

Ariana Torres, Federal Funds Deputy Director  
**Name of Agency Signature Authority**

Emily Martinez  
**Grantee Signature**

\_\_\_\_\_  
**Agency Signature**