



United States Department of the Interior

OFFICE OF THE SECRETARY

Washington, DC 20240

Nonprofit Organization Indirect Cost Negotiation Agreement

EIN: 53-0206027

Date: 09/09/2021

Organization:

Smithsonian Institution
1000 Jefferson Dr SW
Washington, DC 20560

Report Number: 2021-0452

Filing Ref.:

Last Negotiation Agreement
dated: 06/12/2020

The indirect cost rates contained herein are for use on grants, contracts, and other agreements with the Federal Government to which Public Law 93-638 and/or 2 CFR Part 200 apply subject to the limitations contained in Section II.A. of this agreement. 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: Rate

Start Date	End Date	Rate Type	Name	Rate	Base	Location	Applicable To
10/01/2021	09/30/2022	Fixed Carry forward	G&A	6.71 %	(A)	SI Onsite	All Programs
			G&A	14.23 %	(B)	SAO Onsite	All Programs
			Grants & Contracts OH	11.95 %	(C)	SI Onsite	All Programs
			SERC Core Support	12.02 %	(D)	SI SERC	All Programs
			Direct Operating OH	27.10 %	(E)	SAO Onsite	All Programs
			Central Engineering	37.23 %	(F)	SAO Onsite	All Programs
			Material Burden	5.99 %	(G)	SAO Onsite	All Programs
			Non-Productive (Leave)	17.86 %	(H)	SAO Onsite	All Programs
			Benefits: Full & Part Time	31.99 %	(I)	SI/SAO Onsite	All Programs
			Benefits: Intermittent Employees	8.36 %	(J)	SI/SAO Onsite	All Programs

(A) **Base:** Total cost input consisting of the total cost of direct operating activities including grants and contracts, materials, subawards, equipment, and applicable overhead, but excluding capital expenditures such as construction, equipment, the cost of collection items, equipment depreciation charges, and SAO home office allocation charges.

Section I: Rate (continued)

(B) Base: Total costs of direct operating activities (including grants and contracts) net use of costs associated with materials, subcontracts, and equipment. In addition, the base includes Central Engineering Costs and the applicable share of overhead costs.

(C) Base: Grant and Contract direct operating costs including salaries and benefits, materials, services, subawards, but excluding capital expenditures.

(D) Base: Total direct SERC costs, excluding capital expenditures.

(E) Base: Total direct salaries and wages, including fringe benefits costs.

(F) Base: Central Engineering direct costs including salaries, benefits, materials, and services.

(G) Base: Cost of direct materials, equipment, and subcontracts.

(H) Base: Total SAO full-time salaries and wages, excluding fringe benefits.

(I) Base: Total salaries less, intermittent and less than 90-day appointments.

(J) Base: Total intermittent and less than 90-day appointment salaries.

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.

Treatment of paid absences: Vacation, holiday, sick leave, and other paid absences are included in salaries and wages and are claimed on grants, contracts, and other agreements as part of the normal cost for the salaries and wages. Separate claims for the costs of these paid absences are not made.

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.

Section II: General (continued)

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 affected programs, and the approved rate(s) should be used to identify the maximum amount of indirect cost allocable to these programs.
- 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. This Negotiation Agreement is entered into under the terms of an Interagency Agreement between the U.S. Department of the Interior and the cognizant agency. No presumption of federal cognizance over audits or indirect cost negotiations arises as a result of this Agreement.
 4. Organizations that have previously established indirect cost rates—exclusive of the 10% *de minimis* rate—must submit a new indirect cost proposal to the cognizant agency for indirect costs within six (6) months after the close of each fiscal year.

Section III: Acceptance

Listed below are the signatures of acceptance for this agreement:

By the Nonprofit Organization

By the Cognizant Federal Government Agency

Smithsonian Institution

National Aeronautics and Space Administration

DocuSigned by:
Janice Lambert
29F95DB50085413...

DocuSigned by:
Craig Wills
B47DB1F4A5DB4BF...

Signature

Signature

Janice Lambert

Craig Wills

Name:

Name:

Chief Financial Officer

Division Chief
Indirect Cost Services Division
Interior Business Center

Title:

Title:

9/14/2021

9/13/2021

Date

Date

Negotiated by: Muberra Guvenc
Telephone: (916) 930-3816

Next Proposal Due Date: 03/31/2022