

INDIRECT COST RATE AGREEMENT
STATE EDUCATION AGENCY

DIVISION
2010 MAY 25 AM 11:50

ORGANIZATION:

California Department of Education
1430 N Street
Sacramento, California 95814-5901

EIN: 94-6001347DATE: April 29, 2010AGREEMENT NO. 2010-107

FILING REFERENCE: This replaces previous

Agreement No. 2009-101dated March 31, 2009

The purpose of this Agreement is to establish indirect cost rates for use in awarding and managing of Federal contracts, grants, and other assistance arrangements to which Office of Management and Budget (OMB) Circular A-87 applies. The rates were negotiated by the US Department of Education pursuant to the authority cited in Attachment A of OMB Circular A-87.

This agreement consists of four parts: Section I - Rates and Bases; Section II - Particulars; Section III - Special Remarks; and, Section IV - Approvals.

Section I - Rate(s) and Base(s)

| TYPE | <u>Effective Period</u> | | Rate | Base | <u>Coverage</u> | |
|-------|-------------------------|-----------|-------|-----------|-----------------|----------------------|
| | <u>From</u> | <u>To</u> | | | <u>Location</u> | <u>Applicability</u> |
| Fixed | 07-01-09 | 06-30-10 | 18.7% | <u>1/</u> | All | All Programs |
| Fixed | 07-01-10 | 06-30-11 | 21.7% | <u>1/</u> | All | All Programs |

1/ Total direct costs less local assistance, the amount of individual contracts exceeding \$500,000, depreciation expenses, pro rata charges, interest expenses, and offsets to departmental and divisional indirect charges.

Treatment of Fringe Benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs, however, pursuant to OMB Circular A-87 – Attachment B. Paragraph 8.d.3, terminal leave costs for all employees will be allocated as an indirect cost, except for those employees adjusted to the base for the calculation of the restricted indirect cost rate.

Capitalization Policy: Items of equipment costing \$5,000 or more with a useful life in excess of one year are capitalized

Section II - Particulars

SCOPE: The indirect cost rate(s) contained herein are for use with grants, contracts, and other financial assistance agreements awarded by the Federal Government to the Organization and subject to OMB Circular A-87.

LIMITATIONS: Application of the rate(s) contained in this agreement is subject to all statutory or administrative limitations on the use of funds, and payment of costs hereunder is subject to the availability of appropriations applicable to a given grant or contract. Acceptance of the rate(s) agreed to herein is predicated on the conditions: (A) that no costs other than those incurred by the Organization were included in indirect cost pools as finally accepted, and that such costs are legal obligations of the State Education Agency and allowable under the governing cost principles; (B) that the same costs that have been treated as indirect costs are not claimed as direct costs; (C) that similar types of information which are provided by the State Education Agency, and which were used as a basis for acceptance of rates agreed to herein, are not subsequently found to be materially incomplete or inaccurate; and (D) that similar types of costs have accorded consistent accounting treatment.

ACCOUNTING CHANGES: Fixed or predetermined rates contained in this agreement are based on the accounting system in effect at the time the agreement was negotiated. When changes to the method of accounting for cost affect the amount of reimbursement resulting from the use of these rates, the changes will require the prior approval of the authorized representative of the cognizant negotiation agency. Such changes include, but are not limited to, changing a particular type of cost from an indirect to a direct charge. Failure to obtain such approval may result in subsequent cost disallowances.

FIXED RATE: The negotiated rate is based on an estimate of the costs which will be incurred during the period to which the rate applies. When the actual costs for such period have been determined, an adjustment will be made in a subsequent negotiation to compensate for the difference between the cost used to establish the fixed rate and the actual costs.

NOTIFICATION TO OTHER FEDERAL AGENCIES: Copies of this document may be provided to other Federal agencies as a means of notifying them of the agreement contained herein.

AUDIT: If a rate in this Agreement contains amounts from a cost allocation plan, future audit adjustments which affect this cost allocation plan will be compensated for during the rate approval process of a subsequent year.

Section III - Special Remarks

1. This agreement is effective on the date of approval by the Federal Government.
2. Questions regarding this agreement should be directed to the Negotiator.
3. Approval of the rate(s) contained herein does not establish acceptance of the State Education Agency's total methodology for the computation of indirect cost rates for years other than the year(s) herein cited.

Section IV Approvals

For the State Education Agency:

California Department of Education
 1430 N Street
 Sacramento, California 95814-5901

Sharon Taylor
 Signature

Sharon Taylor
 Name

Director, Fiscal & Administrative Svcs
 Title

4/29/10
 Date

For the Federal Government:

US Department of Education
 830 First Street, NE
 Room 21B2, UCP
 Washington, DC 20202-4450

John Masaitis
 Signature

Mary Gougisha
 Name

Director, Indirect Cost Group
 Title

April 29, 2010
 Date

John J. Masaitis
 Negotiator

(202) 377-3837
 Telephone Number