



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

COGNIZANT AGENCY
NEGOTIATION AGREEMENT

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The State of Tennessee
Department of Environment
and Conservation
Nashville, Tennessee

Date: March 1, 2023

Filing Ref: January 11, 2022

The indirect cost rates contained herein are for use on grants and contracts with the Federal Government to which Office of Management and Budget Circular 2 CFR 200 applies, subject to the limitations contained in the Circular and in Section II, A below.

SECTION I: RATES

Type	Effective Period		Rate	Base	Location	Applicable To
	Start	End				
<u>Fixed:</u>						
Environment Bureau	7/1/2023	6/30/2024	24.98%	(A)	All	All
Conservation Bureau	7/1/2023	6/30/2024	19.39%	(A)	All	All

- (a) **Base:** Total direct salaries and wages, including applicable fringe benefits. To determine the amount of indirect costs to be billed under this agreement, direct salaries and wages and related fringe benefits should be summed and multiplied by the rate.

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 rates contained in this Agreement are subject to any applicable statutory and administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates 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 accounting treatment; and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs.
- B. **AUDIT:** All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

C. CHANGES. The rates contained in this agreement are based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in the organizational structure or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rates in this agreement, may require the prior approval of the cognizant agency. Failure to obtain such approval may result in subsequent audit disallowances.

D. THE FIXED RATE contained in this agreement 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 periods have been determined, an adjustment will be made to the rate for future periods, if necessary, to compensate for the difference between the costs used to establish the fixed rate and the actual costs.

E. AGENCY NOTIFICATION: Copies of this document may be provided to other Federal agencies as a means of notifying them of the agreement contained herein. Please retain a copy of this document for your records

F. OTHER: 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.

SECTION II: ACCEPTANCE

The undersigned official warrants that he/she has the proper authority to execute this agreement on the behalf of the State Agency:

By the Federal Agency:

Benny Romero
Benny Romero (Mar 1, 2023 15:35 CST)

(Signature)

BENNY ROMERO

(Name)

DEPARTMENT CONTROLLER

(Title)

ENVIRONMENT AND CONSERVATION

(Agency)

03-01-2023

(Date)

JACQUELINE
SMITH

Digitally signed by JACQUELINE
SMITH
Date: 2023.03.01 16:03:51 -05'00'

(Signature)

Jacqueline Smith, Rate Negotiator
National Policy, Training and
Compliance Division
U.S. Environmental Protection Agency

Negotiated by: Jacqueline Smith
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