

U.S. Department of Labor

**Office of the Assistant Secretary
for Administration and Management
Washington, D.C. 20210**



July 27, 2016

Ms. Sally A. Boofer
EXPERIENCE WORKS, INC.
4401 Wilson Boulevard, Suite 1100
Arlington, VA 22203

Dear Ms. Sally A. Boofer,

The original and one copy of a Negotiated Indirect Cost Rate Agreement for a Nonprofit Organization reflecting an extension of the provisional rate for FYE June 30, 2016 through December 31, 2016.

These documents reflect an understanding reached by your organization and the U. S. Department of Labor (DOL) concerning indirect cost rates for use on grants and contracts funded by DOL and other Federal agencies.

Please sign the original and the copy. Return the original and retain the copy for your files. Since the agreement does not become effective until it is signed by a duly authorized representative of your organization, please give this matter your immediate attention.

Our mailing address is:

U. S. Department of Labor
Division of Cost Determination, Room S-1510
200 Constitution Avenue, NW
Washington, D.C. 20210

ATTN: Mr. Victor M. Lopez, Chief

If you have any questions, please contact Ms. Margie Merced at (202) 693-4104. Her email address is: merced.margie@dol.gov

Sincerely,

A handwritten signature in black ink, appearing to read "Victor M. Lopez", written over a faint circular stamp.

VICTOR M. LOPEZ, Chief

Enclosures

**NEGOTIATED INDIRECT COST RATE AGREEMENT
NONPROFIT ORGANIZATION**

EIN # 520817955

ORGANIZATION:
EXPERIENCE WORKS, INC.
4401 Wilson Boulevard, Suite 1100
Arlington, VA 22203

DATE: July 27, 2016
(supersedes agreement
dated April 10, 2015)

The rates approved in this agreement are for use on grants, contracts, and other agreements with the Federal Government to which OMB Circular A-122 applies, subject to the conditions in Section II, A, below. The rate(s) were negotiated by Experience Works, Inc. and the U.S. Department of Labor in accordance with the authority contained in Attachment A of the circular.

Indirect rates for fiscal years that begin on or after 12/26/2014 are subject to 2 CFR Part 200, Subpart E, in accordance with the authority contained in 2 CFR, Part 200 Appendix IV, C.2.

SECTION I: RATES

<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE *</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			
<u>Overhead</u>					
Final	07/01/13	06/30/14	8.57 %	All	All Programs
Provisional	07/01/14	06/30/15	8.09 %	All	All Programs
Provisional	07/01/15	06/30/16	8.57 %	All	All Programs
Provisional	07/01/16	12/31/16	8.57 %	All	All Programs

(SEE SPECIAL REMARKS)

***BASE:**

Total direct costs excluding (a) 35% of enrollee wages and fringe benefits and (b) fixed assets.

TREATMENT OF FRINGE BENEFITS:

Fringe benefits are specifically identified to each employee and are claimed in accordance with the employee's direct or indirect salary charge.

TREATMENT OF PAID ABSENCES:

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

SECTION II: GENERAL

- 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 non-Federal entity or contractor were included in its indirect cost pool as finally accepted and that such incurred costs are legal obligations of the non-Federal entity and allowable under the governing cost principles,
 - (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 non-Federal entity or contractor which was used as a basis for acceptance of the rate(s) agreed to herein is not subsequently found to be materially inaccurate by the Federal government. In such situations, the rate(s) may be subject to renegotiation at the discretion of the Federal government.
 - (5) The rates cited in this Agreement are subject to audit.
- B. ACCOUNTING CHANGES:** This agreement is based on the accounting system purported by the non-Federal entity or contractor to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval from the Division of Cost Determination. Such changes include, but are not limited to changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.
- C. NOTIFICATION TO FEDERAL AGENCIES:** A copy of this document is to be provided by the non-Federal entity or contractor to other Federal funding sources as a means of notifying them of the Agreement contained herein.
- D. PROVISIONAL-FINAL RATES AND ADJUSTMENTS:** When seeking initial reimbursement of indirect costs using the provisional/final rate methodology, a provisional proposal must be submitted within 90 days of receiving a Federal award (financial assistance, grants, cooperative agreements, and cost reimbursable contracts) that requires accounting for actual costs incurred. The non-Federal entity or contractor must submit an indirect cost rate proposal within six (6) months after the end of their fiscal year to establish a final rate.

Once a final rate is negotiated, billings and charges to Federal awards 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 non-Federal entity or contractor may not recover all indirect costs.

Conversely, if the final rate is less than the provisional rate, the non-Federal entity or contractor will be required to reimburse the funding agency for the excess billings.

Non-Federal entities or contractors receiving a Federal cost reimbursable contract(s) - Must adhere with FAR 52.216-7(d)(2)(v), to settle final indirect cost rates typically on an annual basis:

“The contractor shall update the billings on all contracts to reflect the final settled rates and update the schedule of cumulative direct and indirect costs claimed and billed, as required in paragraph (d)(2)(iii)(I) of this sections, within 60 days after settlement of final indirect cost rates.”

In addition, the contractor shall provide to the Contracting Officer the noted cumulative costs schedule within 60 days of the execution of this agreement.

If the non-Federal entity or contractor has completed performance under any of the contracts covered by this Agreement, a final invoice or voucher must be submitted no later than 120 days from the date on which this Agreement is executed, following guidance from FAR 52.216-7(d)(5) and FAR 52.216-7(h).

Non-Federal entities receiving Federal awards (financial assistance, grants, and cooperative agreements) – Note that even if Federal awards are administratively closed prior to the settlement of final indirect cost rates, non-Federal entities still must comply with the following 2 CFR Part 200 clauses stating, in part:

§200.344 Post-closeout adjustments and continuing responsibilities

(a) The closeout of a Federal award does not affect any of the following:

- (1) The right of the Federal awarding agency or pass-through entity to disallow costs and recover funds on the basis of a later audit or other review. The Federal awarding agency or pass-through entity must make any cost disallowance determination and notify the non-Federal entity within the record retention period.
- (2) The obligation of the non-Federal entity to return any funds due as a result of later refunds, corrections, or other transactions including final indirect cost rate adjustments.

§200.345 Collection of amounts due

(a) Any funds paid to the non-Federal entity in excess of the amount to which the non-Federal entity is finally determined to be entitled under the terms of the Federal award constitute a debt to the Federal Government.

E. SPECIAL REMARKS:

1. Indirect costs allocable to a particular award or other cost objective may not be shifted to other Federal awards to overcome funding deficiencies, or to avoid restrictions imposed by law or by terms of the award.
2. Indirect costs charged to Federal grants/contracts by means other than the rate(s) cited in this Agreement should be adjusted to the applicable rate cited herein and applied to the appropriate base to identify the proper amount of indirect costs allocable to the program.
3. Grants/contracts providing for ceilings as to the indirect cost rates(s) or amount(s) which are indicated in Section I above, will be subject to the ceilings stipulated in the contract or grant agreements. The ceiling rate or the rate(s) cited in this agreement, whichever is lower, will be used to determine the maximum allowable indirect cost on the grant or contract agreement.
4. Administrative costs consist of all direct and indirect costs associated with the management of an organization's programs. Organizations should refer to their contracts/grants terms and specific program legislation for the applicable definition of "Administrative Costs" and any related limitations.
5. Fringe benefits include vacation pay, FICA, Medicare, unemployment insurance, worker's compensation, health insurance, and retirement.
6. Overhead pool expenses include indirect salaries, fringe benefits, travel, training, professional fees, supplies, communications, maintenance and repair, rent, utilities/janitorial/custodial, other insurance, and other miscellaneous expenses.
7. The organization will maintain auditable time records that reflect the actual activities of employees and support any mixed (direct/indirect) charges. Labor costs for positions that are 100% indirect should not be charged direct to projects.

ACCEPTANCE

BY THE ORGANIZATION:

EXPERIENCE WORKS, INC.
4401 Wilson Boulevard, Suite 1100
Arlington, VA 22203

(Organization)

(Signature)

Sally A. Boofer

(Name)

President & CEO

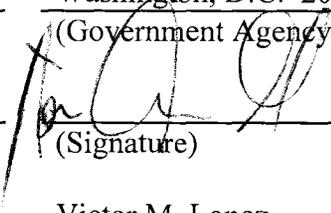
(Title)

(Date)

**BY THE COGNIZANT AGENCY
ON BEHALF OF THE
FEDERAL GOVERNMENT:**

U.S. DEPARTMENT OF LABOR
Division of Cost Determination, Room S-1510
200 Constitution Avenue, NW
Washington, D.C. 20210

(Government Agency)



(Signature)

Victor M. Lopez

(Name)

Chief, Division of Cost Determination

(Title)

July 27, 2016

(Date)

DOL Representative: Margie Merced
Telephone No: (202) 693-4104