

**NEGOTIATED INDIRECT COST RATE AGREEMENT
NONPROFIT ORGANIZATION**

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

DATE: April 10, 2015
(supersedes agreement
dated February 4, 2014)

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	07/01/11	06/30/12	7.01 %	All	All Programs
Final	07/01/12	06/30/13	8.03 %	All	All Programs
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

(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 this agreement is subject to any statutory or administrative limitations and is applicable to a given grant or contract only to the extent that funds are available. Acceptance of the rate(s) agreed to herein is predicated upon the conditions:

- (1) that no costs other than those incurred by the organization or allocated to the organization via an approved central service cost allocation plan were included in its indirect cost pool as finally accepted; that such incurred cost are legal obligations of the organization and are 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 accounting treatment; and
- (4) that the information provided by the organization used as a basis for acceptance of the rate(s) agreed to is not subsequently found to be materially incomplete or inaccurate.

The rates cited in this agreement are subject to audit.

B. ACCOUNTING CHANGES:

The organization is required to provide written notification to the indirect cost negotiator prior to implementing any changes that could affect the applicability of the approved rates. Changes in the indirect cost recovery plan, which may result from changes such as the method of accounting or organizational structure, require the prior written approval of the Division of Cost Determination (DCD). Failure to obtain such prior written approval may result in cost disallowance.

C. USE BY OTHER FEDERAL AGENCIES:

The rates in this agreement were approved in accordance with the authority in OMB Circular A-122 and should be applied to grants, contracts, and other agreements covered by the CFR, subject to any limitations in Section II, A above.

A copy of this agreement is to be provided by this organization to other Federal funding sources as a means of notifying them of the Agreement terms contained herein.

D. PROVISIONAL-FINAL RATES:

Provisional rates must be established within 90 days of award. The elements of indirect cost and the type of distribution base(s) used in computing provisional rates are subject to revision when final rates are negotiated.

The organization must submit a proposal to establish a final rate within six months after their fiscal year end. 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 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.

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)

Mr. Ray Navarro

(Name)

CFO

(Title)

(Date)

4/15/2015

**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)

April 10, 2015

(Date)

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