FEDERAL AWARDEE ELECTION OF
10 PERCENT DE MINIMIS INDIRECT COST RATE

NON-FEDERAL ENTITY: DATE:

10 PERCENT DE MINIMIS INDIRECT COST RATE

	EFFECTIVE PERIOD			
NAME	FROM	TO	RATE	BASE
Indirect Cost	Date of Execution	Until Superseded	10%	(A)

Rate Application Base:

(A) Modified Total Direct Costs (MTDC). MTDC means all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award) as defined by 2 CFR Part 200. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000.

NOTES & GENERAL TERMS

APPLICABILITY AND TYPE OF RATE: The 10 percent de minimis rate is for use on grants, contracts and other agreements with the Federal government to which 2 CFR Part 200 (Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards) applies. Once elected, the 10 percent de minimis rate must be used consistently for all Federal awards received by the non-Federal entity until such time as the non-Federal entity chooses to negotiate for a rate.

COGNIZANT AGENCY DETERMINATION: Issuance of the 10 percent de minimis rate does not infer cognizance. Rather, cognizance will be determined upon the Federal government's receipt of a request to establish a NICRA.

LIMITATIONS: Use of the 10 percent de minimis rate is subject to any applicable contractual or grant limitations. Acceptance of the 10 percent de minimis rate is predicated upon the following conditions: (1) the non-Federal entity has never received a Negotiated Indirect Cost Rate Agreement (NICRA) from a Federal agency and is therefore eligible for the 10 percent de minimis rate; (2) that no costs other than those incurred by the non-Federal entity will be recovered by using the 10 percent de minimis rate and such costs are legal obligations of the non-Federal entity; (3) that the same costs that have been treated as indirect costs have not been claimed as direct costs; and (4) that similar types of costs have been accorded consistent treatment.

AUDIT: All costs, direct and indirect, Federal, and non-Federal are subject to audit. As a result, adjustments to grants and contracts may result from audits.

NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal offices as a means of notifying them of the non-Federal entity's election of the 10 percent de minimis rate.

BY THE NON-FEDERAL ENTITY:	ON BEHALF OF THE FEDERAL GOVERNMENT:
	U.S. Department of Agriculture Natural Resources Conservation Service
_____	_____
_____ Signature	_____ Signature
_____ Name	_____ Name
_____ Title	_____ Title
_____ Date	_____ Date

USDA-NRCS Contact Information:

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