

RAIN-2018-G02

Indirect Cost Guidance for Recipients of EPA Assistance Agreements

Notification Date: August 21, 2018

Related Resources:

[Indirect Cost Policy for Recipients of EPA Assistance Agreements](#)

[Indirect Cost Guidance for Recipients of EPA Assistance Agreements](#)

Purpose: This Recipient/Applicant Information Notice (RAIN) informs recipients and applicants of a new policy that aligns indirect costs (IDCs) under EPA assistance agreements (grants and cooperative agreements) with [2 CFR Part 200](#), while providing consistency and flexibility for EPA assistance agreement recipients.

Background: The implementation of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards at 2 CFR Part 200 revised IDC flexibilities and requirements. This policy seeks to align EPA and recipient practices with 2 CFR Part 200, while balancing the need for flexibility.

Policy Summary: Prior to drawing down EPA funds for IDCs, and/or using unrecovered IDCs as cost-share, recipients must have an approved rate and an EPA-approved budget that includes IDCs. The policy defines different approved IDC rate types, and includes regulatory exception opportunities, that require EPA approval, on a case-by-case basis that can increase recipient options, such as:

- Use of the 10% *de minimis* rate, even if a recipient has had an IDC rate in the past;
- Continued use of fixed rates with carry-forward for up to four years past expiration;
- (Institutions of Higher Education Only) Use of current negotiated rate, rather than using the same rate for the life of the grant; and
- General exceptions if a recipient has been out of compliance with the IDC requirements set forth in 2 CFR Part 200.