

## NEGOTIATED INDIRECT COST ALLOCATION PLAN AGREEMENT

**NON-FEDERAL ENTITY**

Texas Workforce Commission  
101 E. 15th Street  
Austin, TX 78778-0001

**EIN:** 74-2764775

**DATE:** 3/9/2023

**FILE REFERENCE:** This replaces the agreement dated 3/29/2022

The cost allocation plan (CAP) for indirect costs approved in this Agreement is to be use on grants, contracts, and other agreements with the Federal Government. This Agreement was negotiated by **Texas Workforce Commission** (non-Federal entity) and the **U.S. Department of Labor** in accordance with the authority contained in Title 2 of the Code of Federal Regulations, Part 200. This Agreement is subject to the limitations in Section II, A, below.

---

### **SECTION I: DEPARMENTAL INDIRECT COSTS**

---

The U.S. Department of Labor’s Cost & Price Determination Division (CPDD) has reviewed the non-Federal entity’s CAP. The non-Federal entity has chosen not to employ an indirect cost rate, but to allocate actual indirect costs monthly in accordance with the CAP. The allocation methodologies delineated in the non-Federal entity’s CAP are hereby approved. Attached is the Schedule of Allocated Indirect Costs by Award ID Number for the indirect costs allocated for the Final period.

<b><u>APPROVAL</u></b>	<b><u>FROM</u></b>	<b><u>TO</u></b>	<b><u>BASE</u></b>	<b><u>LOCATION</u></b>	<b><u>APPLY TO</u></b>
Final	09/01/2021	08/31/2022	FTE	Loc-1	AP-1
Final	09/01/2022	08/31/2024	FTE	Loc-1	AP-1

**(SEE SPECIAL REMARKS)**

**BASE**

FTE: Direct full-time employees (FTE) on a monthly basis.

**LOCATION**

Loc-1: All Locations

**APPLY TO**

AP-1: All Programs

**TREATMENT OF FRINGE BENEFITS:** Fringe benefits are specifically identified to each employee and/or are charged individually as direct or indirect cost (as applicable). See Special Remarks section of this Agreement for more details.

**TREATMENT OF PAID ABSENCES:** Vacation, holiday, sick leave pay and other paid absences 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 are not made for the cost of these paid absences.

---

## **SECTION II: GENERAL**

---

### **A. LIMITATIONS**

Use of the approved indirect costs 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 CAP agreed to herein is predicated upon the following conditions:

1. No costs other than those incurred by the non-Federal entity 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. The same costs that have been treated as indirect costs have not been claimed as direct costs.
3. Similar types of costs have been accorded consistent treatment.
4. The information provided by the non-Federal entity or contractor which was used as a basis for acceptance of the CAP agreed to herein is not subsequently found to be materially inaccurate by the Federal government. In such situations, the CAP may be subject to renegotiation at the discretion of the Federal government.
5. The approved CAP Agreement is subject to audit.
6. Indirect costs charged to Federal grants/contracts should be adjusted to the applicable CAP cited herein and be applied to the appropriate base to identify the proper amount of indirect costs allocable to the program.
7. Indirect costs approved through this Agreement are subject to ceilings stipulated in contract/grant agreements.
8. Administrative costs consist of all Direct and Indirect costs associated with the management of the non-Federal entity's programs. Non-Federal entities should refer to their contracts/grants terms and specific program legislation for the applicable definition of Administrative Costs and any related limitations.
9. The indirect cost listed in the Schedule of Allocated Indirect Costs by Award ID Number (the Schedule) for each award for the costs incurred during the fiscal year approved as Final listed in Section I. The Schedule is meant to be used to reconcile indirect costs claimed during the close-out award process.

### **B. CHANGES**

This agreement is based on the accounting system purported by the non-Federal entity 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 CPDD. 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 (original, and revised (if applicable)) 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. **DEFINITION OF PROVISIONAL/FINAL APPROVALS IN SECTION I**

1. Final applies to actual indirect costs incurred in a specified past period. Approved final allocated indirect costs are not subject to adjustment.
2. Provisional only applies to an approved cost allocation methodology to be used for a specified future period.

E. **SPECIAL REMARKS**

1. Provisional/Final - CAP approval and impact to closeout adjustments:

When seeking initial reimbursement of indirect costs, a 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 must submit an indirect cost proposal within six (6) months after the end of their fiscal year to establish a final CAP.

Once a final CAP is negotiated with CPDD, actual charges to Federal awards will require adjustment to settle any disallowed indirect costs. If approved final allocated costs are greater than allocated costs approved on a provisional basis 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 allocated costs approved on a final basis are less than allocated cost approved on a provisional basis, the non-Federal entity or contractor will be required to reimburse the funding agency for the excess billings.

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 the final CAP, non-Federal entities must still 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.
  - (b) Except where otherwise provided by statutes or regulations, the Federal awarding agency will charge interest on an overdue debt in accordance with the Federal Claims Collection Standards (31 CFR parts 900 through 999). The date from which interest is computed is not extended by litigation or the filing of any form of appeal.
2. State/local agencies may charge indirect costs using (a) an indirect cost rate for certain costs such as central service costs (which is approved by the U.S. Department of Health and Human Services through the state-wide cost allocation plan, commonly known as SWCAP), and (b) also charge other indirect costs such as departmental administrative costs through a CAP. Allocated indirect costs should capture indirect costs approved through (a) and/or (b).
  3. Fringe benefits include the following: FICA, Retirement Fund, Unemployment Compensation, Group Insurance, Workers Compensation, Retiree Insurance.
  4. Equipment is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition. The capitalization threshold for equipment is \$5,000.
  5. The indirect salaries approved as part of the Rate/CAP in Section I comply with the applicable ETA TEGL 5-06 and/or Job Corps salary and bonus restrictions.
  6. Budgetary Rate(s): In addition to the approval of the CAP methodologies in Section I, CPDD also approved the non-Federal entity's request for a budgetary rate of \$11,211 using FTEs as the allocation base. The budgetary rate applies to the provisional period for FYE 8/31/2023 and 8/31/2024 in Section I of this CAP agreement, and shall be used for planning purposes only (e.g. bidding on a Federal awards). Final indirect costs, however, are allocated based on the approved CAP methodologies approved in Section I.

**ACCEPTANCE**

**BY THE NON-FEDERAL ENTITY**

Texas Workforce Commission  
101 E. 15th Street  
Austin, TX 78778-0001

(Non-Federal Entity)

Chris Nelson

(Signature)

Chris Nelson

(Name)

Chief Financial Officer

(Title)

3/15/2023

(Date)

Digitally signed by  
Chris Nelson  
Date: 2023.03.16  
12:37:14 -05'00'

**BY THE COGNIZANT AGENCY FOR  
INDIRECT COSTS, ON BEHALF OF  
THE  
U.S. FEDERAL GOVERNMENT**

U.S. Department of Labor  
Cost & Price Determination  
Division 200 Constitution Ave.,  
N.W., S-1510 Washington, DC  
20210

(U.S. Federal Government Agency)

VICTOR LOPEZ

(Signature)

Victor M. López

(Name)

Chief, Cost & Price Determination Division

(Title)

3/9/2023

(Date)

Digitally signed by  
VICTOR  
LOPEZ  
Date: 2023.03.22  
14:11:07 -04'00'

NegotiatedBy: Ryan Symons Office  
Phone: (215) 446-3741  
Email: symons.ryan.a@dol.gov

**Statement of Allocated indirect Costs by Award ID  
FYE 8/31/2022**

<b>CFDA</b>	<b>CFDA Description</b>	<b>Award Number</b>	<b>Allocated Indirect Costs</b>
00.000	Non Federal	N/A	\$ 4,134,547.00
10.561	St Adm Mtch Grants Supp Nutr	216TX400106	\$ 1,604.00
10.561	St Adm Mtch Grants Supp Nutr	226TX400106	\$ 61,113.00
14.401	Fair Housing Asst Program	FF206K196004	\$ 754.00
14.401	Fair Housing Asst Program	FF206K206004	\$ 62,050.00
17.002	Labor Force Statistics	LM345812175J48	\$ 19,559.00
17.002	Labor Force Statistics	LM361312275J48	\$ 324,932.00
17.207	Employment Service	ES334161955A48	\$ 52,064.00
17.207	Employment Service	ES353722055A48	\$ 186,792.00
17.207	Employment Service	ES367832155A48	\$ 751,150.00
17.207	Employment Service	ES387592255A48	\$ 56,687.00
17.225	Unemployment Insurance	UI326281955A48	\$ 2.00
17.225	Unemployment Insurance	UI328681960A48	\$ 14,025.00
17.225	Unemployment Insurance	UI340872055A48	\$ 1,234,009.00
17.225	Unemployment Insurance	UI356772155A48	\$ 2,401,262.00
17.225	Unemployment Insurance	UI359722160A48	\$ 9,065.00
17.225	Unemployment Insurance	UI372522255A48	\$ 12,333,402.00
17.225	Unemployment Insurance	UI380082260A48	\$ 5,047.00
17.235	Sr Community Svc Empl Program	AD362512160A48	\$ 2,382.00
17.235	Sr Community Svc Empl Program	AD383002260A48	\$ 740.00
17.245	Trade Adj Assistance - Workers	TA326801955A48	\$ 198,372.00
17.245	Trade Adj Assistance - Workers	TA344722055A48	\$ 26,285.00
17.245	Trade Adj Assistance - Workers	TA360772155A48	\$ 12,313.00
17.245	Trade Adj Assistance - Workers	TA387062255A48	\$ 22,648.00
17.259	WIOA Youth Activities	AA332581955A48	\$ 136,910.00
17.259	WIOA Youth Activities	AA347972055A48	\$ 332,728.00
17.259	WIOA Youth Activities	AA363482155A48	\$ 189,444.00
17.261	Emp & Training Admin Pilots	MI334621960A48	\$ 19,256.00
17.27	Reentry Employment Opportuniti	PE334471960A48	\$ 1,302.00
17.271	WOTC	WT358532155A48	\$ 63,331.00
17.271	WOTC	WT379402255A48	\$ 45,829.00
17.273	Temp Labor Cert Foreign Wkrs	FL344022055A48	\$ 120.00

<b>CFDA</b>	<b>CFDA Description</b>	<b>Award Number</b>	<b>Allocated Indirect Costs</b>
17.273	Temp Labor Cert Foreign Wkrs	FL360242155A48	\$ 59,795.00
17.273	Temp Labor Cert Foreign Wkrs	FL380892255A48	\$ 24,367.00
17.277	WIOA National Emergency Grants	DW328121960A48	\$ 74.00
17.277	WIOA National Emergency Grants	DW346522060A48	\$ 6,031.00
17.277	WIOA National Emergency Grants	DW355012060A48	\$ 1,267.00
17.277	WIOA National Emergency Grants	DW362092160A48	\$ 2,481.00
17.277	WIOA National Emergency Grants	DW378942260A48	\$ 1,643.00
17.278	WIOA Disl Worker Formula Grant	AA332581955A48	\$ 2,129.00
17.278	WIOA Disl Worker Formula Grant	AA347972055A48	\$ 1,434.00
17.285	Apprenticeship USA Grant	AP335141960A48	\$ 25,022.00
17.285	Apprenticeship USA Grant	AP351102060A48	\$ 10,560.00
17.285	Apprenticeship USA Grant	AP365132160A48	\$ 3,040.00
30.002	Empl Disc St & Local Fair Empl	FF206K196004	\$ 32,538.00
30.002	Empl Disc St & Local Fair Empl	FF206K206004	\$ 14,923.00
30.002	Empl Disc St & Local Fair Empl	FF206K216004	\$ 88,207.00
84.002	Adult Education-Basic Grant	V002A190044	\$ 2.00
84.002	Adult Education-Basic Grant	V002A200044	\$ 124,507.00
84.002	Adult Education-Basic Grant	V002A210044	\$ 92,417.00
84.002	Adult Education-Basic Grant	V002A220044	\$ -
84.126	Rehabilitation Services	H126A180092	\$ -
84.126	Rehabilitation Services	H126A190092	\$ 7,048.00
84.126	Rehabilitation Services	H126A200092	\$ 8,463,084.00
84.126	Rehabilitation Services	H126A210092	\$ (6,593,010.00)
84.126	Rehabilitation Services	H126A220092	\$ 15,033,743.00
84.177	Rehabilitation Svc	H177B200060	\$ 181.00
84.177	Rehabilitation Svc	H177B210060	\$ 20,553.00
84.177	Rehabilitation Svc	H177B220060	\$ 198,606.00
93.558	Temporary Asst Needy Families	1901TXTANF	\$ -
93.558	Temporary Asst Needy Families	2001TXTANF	\$ 43.00
93.558	Temporary Asst Needy Families	2101TXTANF	\$ -
93.558	Temporary Asst Needy Families	2101TXTANF- FAIN	\$ 26,137.00
93.558	Temporary Asst Needy Families	2201TXTANF	\$ 292,251.00
93.575	Child Care & Develop Block Grt	1901TXCCDF	\$ -
93.575	Child Care & Develop Block Grt	2001TXCCC3	\$ 5,701.00
93.575	Child Care & Develop Block Grt	2001TXCCDF	\$ 782.00
93.575	Child Care & Develop Block Grt	2101TXCCC5	\$ 102,378.00
93.575	Child Care & Develop Block Grt	2101TXCCDF	\$ 81,392.00
93.575	Child Care & Develop Block Grt	2101TXCDC6	\$ 124,800.00
93.575	Child Care & Develop Block Grt	2101TXCSC6	\$ -
93.575	Child Care & Develop Block Grt	2201TXCCDF	\$ 847,811.00
<b>Total Allocated Indirect Costs</b>			<b>\$ 41,801,661.00</b>