

Gallion, Joshua C.

From: rex.evans@dot.gov
Sent: Tuesday, June 28, 2011 7:01 PM
To: Gallion, Joshua C.; Fahn, Patrick J.
Cc: Bachmeier, Bob A.; Hibl, Sheila; Leonard.Steiner@dot.gov
Subject: RE: 2011-2013 Approved Indirect Cost Rate for N.D. Public Service Commission

This is what I was looking for. ND will be approved for indirect costs at the cap of 20% through the time frame provided in the documents. Thanks, Rex

Rex Evans

DOT/PHMSA State Programs
525 Mallard Drive
Chatham, IL 62629
217-697-8222 (office/fax)
217-801-8014 (cell)
rex.evans@dot.gov

From: Gallion, Joshua C. [<mailto:jcgallion@nd.gov>]
Sent: Tuesday, June 28, 2011 9:13 AM
To: Evans, Rex (PHMSA); Fahn, Patrick J.
Cc: Bachmeier, Bob A.; Hibl, Sheila; Steiner, Leonard (PHMSA)
Subject: RE: 2011-2013 Approved Indirect Cost Rate for N.D. Public Service Commission

Good morning, Rex

I'm not sure why we wouldn't have provided this to you in the past because we've had an approved indirect rate in effect for at least the past several biennium's.

Attached is the 2009-2011 approved indirect cost rate agreement from the US Dept of Interior for your review. We request approval to use the capped 20% indirect rate for the first half of this Gas Safety Grant year. Please let me know if you have any questions.

Thanks,
Josh

Josh Gallion
N.D. Public Service Commission
jcgallion@nd.gov
701-328-4020

From: rex.evans@dot.gov [<mailto:rex.evans@dot.gov>]
Sent: Tuesday, June 28, 2011 6:47 AM
To: Fahn, Patrick J.
Cc: Bachmeier, Bob A.; Gallion, Joshua C.; Hibl, Sheila; Leonard.Steiner@dot.gov
Subject: RE: 2011-2013 Approved Indirect Cost Rate for N.D. Public Service Commission

Patrick,

10 GS-10-591 Filed: 2/24/2012 Pages: 8
Indirect cost rate - request for approval for 2011

The US Dept of Interior is recognized at the cognizant agent for the ND Public Service Commission (NDPSC). Therefore, any grant(s) that the NDPSC receives may use this rate negotiated with USDOT for the applicable time periods. The indirect rate is based on salaries and wages, but the pipeline safety grant from PHMSA caps indirect costs at 20% of total direct costs so this is what NDPSC may use for this grant.

Was this the first time a rate had been negotiated with USDOT? I would be looking for the same documentation for the time period prior to July 1, 2011 in order for you to charge indirect costs of anything other than 10% for first half CY2011 expenses.

Any questions give me a call or email. Thanks, Rex

Rex Evans

DOT/PHMSA State Programs
525 Mallard Drive
Chatham, IL 62629
217-697-8222 (office/fax)
217-801-8014 (cell)
rex.evans@dot.gov

From: Fahn, Patrick J. [<mailto:pfahn@nd.gov>]
Sent: Friday, June 24, 2011 11:37 AM
To: Evans, Rex (PHMSA)
Cc: Fahn, Patrick J.; Bachmeier, Bob A.; Gallion, Joshua C.; Hibel, Sheila
Subject: FW: 2011-2013 Approved Indirect Cost Rate for N.D. Public Service Commission

Mr. Evans - thank you for visiting this morning with Bob Bachmeier, Josh Gallion and me. Please see the message below from Josh concerning documentation from you stating North Dakota has approval to charge 20% indirect costs to the Gas Safety Grant.

Patrick Fahn
Director-Compliance and Competitive Markets
Email: pfahn@nd.gov
Phone: (701) 328-4077

North Dakota Public Service Commission
600 E Boulevard
Bismarck ND 58505-0480
Fax: (701) 328-2410

From: Gallion, Joshua C.
Sent: Friday, June 24, 2011 10:26 AM
To: Fahn, Patrick J.
Subject: 2011-2013 Approved Indirect Cost Rate for N.D. Public Service Commission

Pat,

Attached is the approved indirect cost rate negotiation agreement from the U.S. Dept. of the Interior listing the 33.85% rate. I would like to receive documentation back stating we have approval to charge 20% indirect costs to the Gas Safety Grant.

Thanks,

Josh

Josh Gallion

N.D. Public Service Commission

jcgallion@nd.gov

701-328-4020

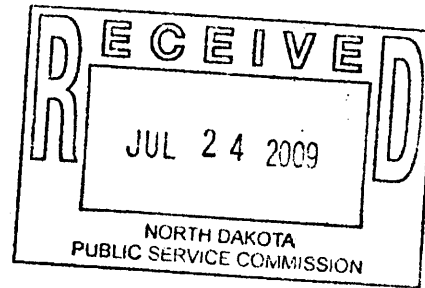


United States Department of the Interior
National Business Center
Indirect Cost Services
2180 Harvard Street, Suite 430
Sacramento, CA 95815



July 20, 2009

Mr. Darrell Nitschke, Director of Administration
State of North Dakota
Public Service Commission
600 E. Boulevard Avenue, Department 408
Bismarck, North Dakota 58505-0480



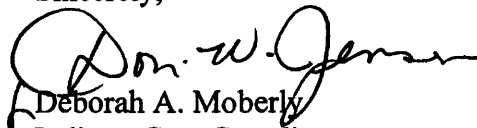
Dear Mr. Nitschke:

We reviewed the indirect cost rate proposal for the fiscal years (FYs) ending June 30, 2010 and 2011. We are prepared to approve a biennial fixed carryforward rate of 35.73 percent for all programs. This rate is based on total direct salaries and wages, including fringe benefits. The result of our review is summarized in the enclosed Exhibit. If you agree with the contents, **please sign and return the two copies** of the Indirect Cost Negotiation Agreement to us to complete the negotiation process. I will then sign and return one copy to you.

A new indirect cost rate proposal is necessary to obtain an approved rate for FYs 2012 and 2013. This proposal, which is due in our office before January 1, 2011, may be based on actual costs, budgetary data, or a combination of these data. Your proposal requesting a rate for FYs 2012 and 2013 must include a carryforward computation for FYs 2008 and 2009 based on and or reconcilable to financial statements that meet the requirements of the Single Audit Act of 1984, Public Law 98-502, as amended. For additional information on how to prepare indirect cost proposals, please visit our Web site at <http://www.aqd.nbc.gov/ics>.

If you have any questions concerning the agreement or this letter, please write or call Ms. Maria Nua, Program Analyst, at (916) 566-7111.

Sincerely,


Deborah A. Moberly
Indirect Cost Coordinator

Enclosures: Exhibit and Negotiation Agreement

Ref: J:/North Dakota/Ndpcc214/Ndpc-Na.10&11

49 AD-08-233 Filed: 7/24/2009 Pages: 5
Federal Indirect Cost Negotiation Agreement

U S Department of Interior

**State of North Dakota
Public Service Commission
FYs 2006 and 2007 Carryforward and
FYs 2010 and 2011 Rate Computation**

Exhibit

Title/Description	Year Ending Amounts
FYs 2006 and 2007 Direct Salaries and Fringes Base	\$4,104,605
FYs 2006 and 2007 Indirect Cost Rate	32.71%
FYs 2006 and 2007 Recoverable Indirect Costs	<u>\$1,342,616</u>
FYs 2006 and 2007 Indirect Costs	\$1,290,157
FY 2006 SWCAP	23,522
FY 2007 SWCAP	16,859
FYs 2006 and 2007 Indirect Cost Pool	<u>1,330,538</u>
FYs 2006 and 2007 Recoverable Indirect Costs	-1,342,616
FYs 2006 and 2007 Overrecovery Carryforward to FYs 2010 and 2011	<u>-12,078</u>
FYs 2010 and 2011 Indirect Costs	1,993,379
FY 2010 SWCAP	17,844
FY 2011 SWCAP	<u>24,639</u>
FYs 2010 and 2011 Indirect Cost Pool	<u>\$2,023,784</u>
FYs 2010 and 2011 Direct Salaries and Fringes Base	<u>\$5,664,810</u>
FYs 2010 and 2011 Indirect Cost Rate	<u>35.73%</u>

**State And Local Department/Agency
Indirect Cost Negotiation Agreement**

EIN: 45-0309764

Organization:

State of North Dakota
Public Service Commission
600 E. Boulevard Avenue, Department 408
Bismarck, North Dakota 58505-0480

Date:

Report No(s) .:

Filing Ref.:

Last Negotiation Agreement
dated July 16, 2007

The indirect cost rate contained herein is for use on grants, contracts, and other agreements with the Federal Government to which 2 CFR 225 (OMB Circular A-87) applies, subject to the limitations in Section II.A. of this agreement. The rate is negotiated by the U.S. Department of the Interior, National Business Center, and the subject organization in accordance with the authority contained in 2 CFR 225.

Section I: Rate

Type	Effective Period		Rate*	Locations	Applicable To
	From	To			
Fixed Carryforward	07/01/09	06/30/11	35.73%	All	All Programs

Note: The Commission's indirect cost rate is negotiated and finalized on a biennial basis.

*Base: Total direct salaries and wages, including fringe benefits.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs; fringe benefits applicable to indirect salaries and wages are treated as indirect costs.

Section II: General

Page 1 of 2

A. Limitations: Use of the rate contained in this agreement is subject to any applicable statutory limitations. Acceptance of the rate agreed to herein is predicated upon these conditions: (1) no costs other than those incurred by the subject organization were included in its indirect cost rate proposal, (2) all such costs are the legal obligations of the grantee/contractor, (3) similar types of costs have been accorded consistent treatment, and (4) the same costs that have been treated as indirect costs have not been claimed as direct costs (for example, supplies can be charged directly to a program or activity as long as these costs are not part of the supply costs included in the indirect cost pool for central administration).

B. Audit: All costs (direct and indirect, federal and non-federal) are subject to audit. Adjustments to amounts resulting from audit of the cost allocation plan or indirect cost rate proposal upon which the negotiation of this agreement was based will be compensated for in a subsequent negotiation.

C. Changes: The rate contained in this agreement is based on the organizational structure and the accounting system in effect at the time the proposal was submitted. Changes in organizational structure, or changes in the method of accounting for costs which affect the amount of reimbursement resulting from use of the rate in this agreement, require the prior approval of the responsible negotiation agency. Failure to obtain such approval may result in subsequent audit disallowance.

D. Fixed Carryforward Rate: The fixed carryforward rate is based on an estimate of the costs that will be incurred during the period for which the rate applies. When the actual costs for such periods have been determined, an adjustment will be made to the rate for future periods, if necessary, to compensate for the difference between the costs used to establish the fixed rate and the actual costs.

E. Agency Notification: Copies of this document may be provided to other federal offices as a means of notifying them of the agreement contained herein.

F. Record Keeping: Organizations must maintain accounting records that demonstrate that each type of cost has been treated consistently either as a direct cost or an indirect cost. Records pertaining to the costs of program administration, such as salaries, travel, and related costs, should be kept on an annual basis.

G. Reimbursement Ceilings: Grantee/contractor program agreements providing for ceilings on indirect cost rates or reimbursement amounts are subject to the ceilings stipulated in the contract or grant agreements. If the ceiling rate is higher than the negotiated rate in Section I of this agreement, the negotiated rate will be used to determine the maximum allowable indirect cost.

H. Use of Other Rates: If any federal programs are reimbursing indirect costs to this grantee/contractor by a measure other than the approved rate in this agreement, the grantee/contractor should credit such costs to the affected programs, and the approved rate should be used to identify the maximum amount of indirect cost allocable to these programs.

I. Central Service Costs: Where central service costs are estimated for the calculation of indirect cost rates, adjustments will be made to reflect the difference between provisional and final amounts.

J. Other:

1. The purpose of an indirect cost rate is to facilitate the allocation and billing of indirect costs. Approval of the indirect cost rate does not mean that an organization can recover more than the actual costs of a particular program or activity.

2. Programs received or initiated by the organization subsequent to the negotiation of this agreement are subject to the approved indirect cost rate if the programs receive administrative support from the indirect cost pool. It should be noted that this could result in an adjustment to a future rate.

3. New indirect cost proposals are necessary to obtain approved indirect cost rates for future fiscal or calendar years. The proposals are due in our office 6 months prior to the beginning of the year to which the proposed rates will apply.

Section III: Acceptance

Listed below are the signatures of acceptance for this agreement:

By the State Department/Agency:

By the Cognizant Federal Government Agency:

Darrell Nitschke /s/
Signature

Darrell Nitschke
Name (Type or Print)

Executive Secretary
Title

7/29/09
Date

_____/s/

Deborah A. Moberly
Name

Indirect Cost Coordinator
Indirect Cost Services
Title

U.S. Department of the Interior
National Business Center
Agency

Date

Negotiated by Mark W. Stout
Telephone (916) 566-7111