

Excerpt

Council on Financial Assistance Reform (COFAR) Frequently Asked Questions

.414-2 Indirect Cost Rate Extensions – “Current” and “one-time”

Section 200.414(g) of the Uniform Guidance states: “Any non-Federal entity that has a federally negotiated indirect cost rate may apply for a one-time extension of a current negotiated indirect cost rates for a period of up to four years.”

- What is meant by the term “current negotiated indirect cost rates”?
- What is meant by the term “one-time”?

A current negotiated indirect cost rate is the negotiated rate in effect (i.e., not expired) when the non-Federal entity requests a rate extension. Rate extension requests will only be considered once in a rate negotiation cycle. For example, a non-Federal entity with a current negotiated rate for 7/1/15-6/30/16 requests an extension of that rate for 3 years, until 6/30/19. If approved by the cognizant agency for indirect costs, the non-Federal entity is required to submit a proposal and request a negotiation of an indirect cost rate for the period beginning 7/1/19. Assuming these are predetermined rates effective until 6/30/23, the non-Federal entity could then request an extension of the current negotiated rate at the end of this approved period (6/30/23), prior to the submission of a proposal for negotiated rates in the next period. “Current negotiated rates” include only “predetermined” and “final” rates (not “provisional” or “fixed” rates).

.414-3 Documentation Required for Extension

Section 200.414(g) allows any non-Federal entity that has a federally negotiated indirect cost rate to apply for a one-time extension of its current negotiated indirect cost rates for a period of up to four years. This extension will be subject to the review and approval of the cognizant agency for indirect costs. Are there any documentation requirements that must be submitted? Are non-Federal entities eligible for multiple four-year extensions?

See FAQ .414-2. The intent of allowing for indirect cost rate extensions is to minimize the administrative burden for the non-Federal entity. As such, documentation requirements to support a four-year indirect cost rate extension should be kept to a minimum. A non-Federal entity can apply for a one-time extension (up to four years) are available if a renegotiation is completed between each extension request. Once there is a new negotiated indirect cost rate in effect, a non-Federal entity could request a one-time extension on that rate.

(Source: Excerpt from *Frequently Asked Questions* [Updated November 2014] developed by [COFAR](#) for [2 CFR 200](#) of the new EDGAR)