

**SUBAWARDEE AWARDEE ELECTION OF  
10 PERCENT DE MINIMIS INDIRECT COST RATE**

Name of Organization: \_\_\_\_\_ DATE: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

**10 PERCENT DE MINIMIS INDIRECT COST RATE**

<u>NAME</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE</u>	<u>BASE</u>
	<u>FROM</u>	<u>TO</u>		
INDIRECT COSTS			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). 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 subawards with prime recipients of direct awards from 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 subawards received by the non-Federal entity from the prime recipient until such time as the non-Federal entity negotiates for a rate with the prime recipient or a Federal agency.

**LIMITATIONS:** Use of the 10 percent de minimis rate is subject to any applicable contractual or award 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 subawards (grants and contracts) may result from audits.

ORGANIZATION:

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 ORGANIZATION:

ON BEHALF OF:

Subrecipient Name

(Federal Grantee Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Signature)

(Name)

(Name)

(Title)

(Title)

(Date)

(Date)

Telephone: