The Committee on Appropriations submits the following report in explanation of the accompanying bill making appropriations for the Department of the Interior and Related Agencies for the fiscal year ending September 30, 1985. The bill provides regular annual appropriations for the Department of the Interior (except the Bureau of Reclamation) and for other related agencies, including the Forest Service, the Department of Energy, the Smithsonian Institution, and the National Foundation on the Arts and the Humanities.
The $200,000,000 appropriation for low income weatherization will weatherize approximately 190,000 homes. In the process, energy consumption and oil imports are reduced while helping income-eligible persons, particularly the elderly and the handicapped, cope with high energy prices and buffer themselves against harsh weather.

The Committee is concerned about testimony that administration of the low-income weatherization program is being implemented unevenly from region to region. The Department should review the organization and management of the program to determine that policies are being implemented uniformly and fairly from region to region. Increased effort should also be made to transfer information among the states. The equipment needs of those delivering the weatherization service should also be addressed. Aging equipment such as trucks and insulation blowers, if not replaced, can cut productivity.

The Committee once again rejects the Administration’s proposal to terminate the Energy Extension Service and Energy Policy and Conservation Act grants to the states. These programs are continued at their fiscal year 1984 levels of $10,000,000 and $24,000,000 respectively. The Committee continues the 20 percent match requirement for the EPCA grants. The Energy Extension Service also requires a 20 percent match. Both of these programs, particularly the Energy Extension Service, have served as technology transfer mechanisms. Energy Extension Service activities are reaching not only small businesses but individuals as well. Through the EPCA grants the states are encouraged to include energy emergency preparedness in their proposed programs.

The Committee recommends DOE modify its regulatory definition of administrative costs to avoid penalizing smaller subgrantees. The modification to the regulatory definition should be that space and utilities used by program support personnel in program support functions should be charged to program support expenses. Implementation of this action will make DOE’s policy consistent with other federal agencies, such as the Departments of Housing and Urban Development and Labor, which administer similar programs.
This memorandum provides grant guidance (Attachment A) and tentative State allocations (Attachment B) for the 1985 weatherization program year. The Fiscal Year 1985 tentative allocations total $187 million dollars and reflect 1980 census data as well as updated heating and cooling degree days.

We are providing the guidance at this time so that you may share it with the States, meet with them to discuss it, and begin planning for the FY 1985 grant cycle. Official solicitation letters to States should be issued no later than November 15, 1984. These letters should address the specific items outlined in the guidance and request that applications be submitted as early as possible but, in no case, later than 60 days from the date of the solicitation letter. Our goal is to award all 1985 State grants by March 1, 1985, to be effective and in place by April 1, 1985.

This year, major emphasis will be placed on addressing needs identified during the State Plan Process Session at the Minneapolis Conference (Attachment C) including: early pre-planning and pre-grant award meetings; early issuance of grant guidance; State input into development of the grant guidance; review/revision of the grant application format; and new areas of program development. We hope that pre-planning meetings, which were discussed at the Minneapolis Conference, have been scheduled and/or held by now. Pre-grant award meetings should be held prior to January 15, 1985, which is the projected date State applications will be due to field offices. A Field Office/Headquarters task force has revised the application format; it has been circulated, separately, for your information and comment. The final application package will be issued to you by November 1, 1984.

While program funding is expected to continue to be stable for the next several years, it is clear that Federal resources will not be sufficient, to complete the job of weatherizing all eligible homes. All efforts must be pursued to identify new ways to better and more rapidly accomplish program goals. Special emphasis will be placed on involvement of the private sector through innovative financing projects and business development initiatives at the local agency level. States and local agencies are encouraged to use TEA funds to provide for training and planning in these areas and to strengthen operational skills at the local project level.
For the FY 1984 grant cycle we emphasized the need to achieve a rate of production that would result in the spending out of all DOE funds (FY 1983 including "Jobs Bill" and FY 1984) by March 31, 1985. At the time we issued the 1984 carryover policy (November 18, 1983) it was estimated that a monthly national expenditure rate of $23 million would be required to spend out by next March. Based on data we have received for November 1983 through August of this year, monthly production is averaging 13,000 homes with expenditures of $16 million. We therefore anticipate a significant reallocation of funds next summer after receipt of the March quarterly financial status reports.

Because of past uncertainties regarding the program's continued funding, equipment purchases have frequently been deferred. These purchases, where needed to do the job, should now be requested and approved. Grantees should also ensure that subgrantees are allowed to charge legitimate program support costs to that budget category rather than requiring that those costs be charged to the administrative category. For example, space, utilities, telephone and similar costs associated with program support personnel should be charged to program support.

In 1985, we will continue to stress development of a "common program" -- one that is administered uniformly across the country -- emphasizing uniform Federal application review, program oversight, and monitoring for all States. It is incumbent on us as Federal staff to make every effort to ensure that grantees are treated fairly and equitably. We must avoid extra demands which go beyond the States' needs for their own management and oversight responsibilities. It is important that contract officers be involved with program staff early in the review and award process. It must be emphasized that WAP awards are formula grants to the States, and not contracts, and should be reviewed accordingly. The States are not to be asked for financial detail which goes beyond the requirements of the program regulation and the DOE Financial Assistance Rule. These requirements are clearly reflected in the revised application package. Our efforts to develop a "common program" also include a review of the grant application and award process (as opposed to the application format review) in order to recommend a more standard set of procedures for all Support Offices. In addition, the Management Summary Report (EIA 459F) will replace the Monthly Progress Report (CS-434) effective April 1, 1985.

On October 11, 1984, Congress passed a number of amendments to the Weatherization Assistance Program as part of the Headstart Reauthorization Bill. (See our memo of October 18, 1984). We anticipate that these changes will soon be signed into law. At least some of the amendments will affect the 1985 program. We have begun work on a rulemaking to implement these changes and will keep you fully informed of the progress of this effort.
With your help, we have made substantial progress during the past year. A new program rule has been published and implemented. A new standard application format has been put into place and has, on the basis of the first year's experience, been revised. The training session on the new rule and the National Conference were both very successful. Grant awards were all made in a timely fashion. We are implementing several suggestions which were made at the National Conference for further strengthening the program. These accomplishments reflect your professionalism and spirit of teamwork. Thank you for a job well done.

We look forward to continued program development which is possible only with your commitment and cooperation.

Joseph P. Flynn, Jr.
Director, Division of Weatherization Assistance Programs
Conservation and Renewable Energy

Attachment

cc: Support Office Directors
memorandum

DATE: JAN 27 1987

REPLY TO CE-20

ATTN OF:

SUBJECT: Policy Guidance on Use of Exxon Funds

TO: Operations Office Managers

I am pleased to transmit the enclosed policy guidance for the use of you and your States in planning and reviewing proposed activities to be supported with Exxon funds. These questions and answers are a blend of new policy issues, issues raised in correspondence with States and updates of guidance that was issued at the time of the Warner Amendment.

If you have any questions concerning this document, please call Robert Volk, or Faith Lambert on (FTS) 896-2318.

Frank M. Stewart, Director
Office of State and Local Assistance Programs
Conservation and Renewable Energy

cc: Headquarters Program Directors
Support Office Directors
EXXON FUNDS QUESTIONS AND ANSWERS

On March 6, 1986, the Department of Energy (DOE) distributed $2.1 billion from the settlement of the Exxon oil overcharge case to the states for use in accordance with the Court Order which referenced the provisions of Section 155 of the Further Continuing Appropriations Act, Fiscal Year 1983, also known as the Warner Amendment. Section 155 states that the funds are to be used by the states as if appropriated under one or more of five grant programs listed. Four of these programs, the Weatherization Assistance Program, 42 U.S.C. 6861 et. seq., the State Energy Conservation Program, 42 U.S.C. 6321 et. seq., the Schools and Hospitals Grant Program, 42 U.S.C. 6371 et. seq., and the Energy Extension Service, 42 U.S.C. 7001 et. seq. are administered by DOE.

On February 2, 1983, DOE published Ruling 1983-1 in the Federal Register for the purpose of clarifying the relationship of Section 155 to the four conservation grant programs. On June 10, 1986, the Court ruled that Ruling 1983-1 is applicable also to state use of funds received in settlement of the Exxon oil overcharge case. This document is intended to clarify and update additional issues related to the use of Exxon funds, and is intended to be used as a companion document to Ruling 1983-1. It should be noted as well that the regulations for each program are the first point of reference for determining how overcharge funds designated to that program should be spent. The regulations governing all four DOE grant programs have been revised since the issuance of Ruling 1983-1.

I. CROSS-PROGRAM ISSUES

OSLAP Question 1. How should "administrative expenses" be defined for each of the grant programs?

OSLAP Answer 1. Ruling 1983-1 states (in Answer #2) that "Administrative expenses" are those expenses which states have historically considered to be administrative expenses under each program." Within the context of that statement, "administrative expenses" for each program are defined as follows:

Institutional Conservation Program: As stated in Section 455.83(c) of the program regulations, "A state's administrative expenses shall be limited to those directly related to administration of technical assistance programs and energy conservation measures including costs associated with:

1. personnel, whose time is expended directly in support of such administration;
2. supplies, and services, expended directly in support of such administration;
3. equipment purchased or acquired solely for, and utilized directly in support of such administration, provided that
no single item of equipment or other tangible personal property costing more than $500 shall be acquired without prior written approval of DOE;

(4) printing, directly in support of such administration; and

(5) travel, directly related to such administration.

Weatherization: The WAP authorizing legislation and program regulations do not specifically define administrative costs. "Administrative expenses" are those expenses which states have historically considered to be administrative expenses under the program. [Grantees and subgrantees are permitted to treat costs in accordance with the way they are incurred. For example, telephone costs may be administrative when incurred as part of the office function, or programmatic when incurred as part of the warehouse activity. "Administrative expenses" generally fall into the following cost categories:

(1) all indirect costs;

(2) telephone costs;

(3) a portion of professional staff salaries (to cover staff time while not carrying out functions directly attributable to program activity);

(4) salaries and fringe benefits of clerical staff;

(5) travel related to administrative functions; and

(6) miscellaneous costs such as copying, office space, equipment and supplies.]

State Energy Conservation Program/Energy Extension Service: The SECP and EES authorizing legislation and program regulations do not define administrative costs for grantees or subgrantees.

OMB Circular A-102 (Uniform Administrative Requirements for Grants-in-Aid to State and Local Governments) and the General Services Administration (GSA) in Circular 74-4 (Cost Principles Applicable to Grants and Contracts with State and Local Governments) recognize direct and indirect costs. These definitions of costs apply to SECP/EES.

There is no universal rule for classifying certain costs as either direct or indirect under every accounting system. However, each item of cost must be treated consistently either as a direct or an indirect cost. Direct costs are those that should be charged directly to a particular activity or program measure, i.e., cost of personnel, supplies, travel, equipment. Indirect costs, sometimes referred to as administrative costs, are those incurred for a common or joint purpose benefitting more than one activity.
Dear Governor Riley:

Thank you for your letter of May 13 relating to South Carolina's plans for disbursing the Exxon overcharge funds. My staff and I look forward to working with you in this effort.

The issue which concerns you, clarification of the Exxon court order in relation to administrative costs, was raised by several States in a motion to Judge Flannery. The Court ruled on that motion on June 10, 1986. A copy of the ruling is enclosed for your information.

Judge Flannery denied as premature the States' request to use Exxon funds for administrative expenses. He reaffirmed the procedure regarding administrative expenses which is contained in DOE Ruling 1983-1 (issued at the time of the Warner Amendment disbursement) whereby oil overcharge funds are added to appropriated funds to determine the base amount from which a percentage can be spent for administration. Administrative expenses, however, must be paid from appropriated funds. In the event sufficient appropriated funds are not available in FY 1987, the States may renew their request for administrative costs.

In reply to your specific question, administrative costs are defined slightly differently by each of the State and local grant programs. Enclosed for your information are definitions for each program.

I hope this information is helpful.

Yours truly,

Donna R. Fitzpatrick
Assistant Secretary
Conservation and Renewable Energy

Enclosure

Honorable Richard W. Riley
Governor of South Carolina
P.O. Box 11450
Columbia, SC 29211
DEFINITION OF "ADMINISTRATIVE EXPENSES"

WEATHERIZATION

Administrative expenses for the Weatherization Assistance Program include the following:

- all indirect costs;
- telephone costs;
- a portion of professional staff salaries (to cover staff time when not carrying out the functions allowable under program costs);
- salaries and fringe benefits of clerical staff;
- travel related to administrative functions;
- miscellaneous costs such as copying, office space, equipment and supplies.
DATE: APR 29 1985
REPLY TO: CR-25
ATTN OF: CR-25
SUBJECT: Compliance with the 40 Percent Requirement of the Weatherization Program Regulations
TO: Operations Office Managers
THRU: Frank M. Stewart, CR-25

Purpose: To provide guidance to grantees on methods of complying with the "40 percent materials requirements" found in Section 440.18(a) of the weatherization program regulations as amended by the Interim Final Rule published January 4, 1985.

Background: The majority of comments received in response to the January 4, 1985, Interim Final Rule resulted from confusion over the 40 percent requirement for weatherization materials found in Section 440.18(a) of the regulations. That section states that "an average of at least 40 percent of the funds provided in a State under this part for weatherization materials, labor and related matters included in paragraphs (c)(1)-(9) of this section shall be spent for weatherization materials." Judging from the large number of comments received pursuant to this section, the rule does not give adequate guidance for calculating the composition of this 40 percent figure. We will attempt to remove the confusion with this guidance.

First, we are not attempting to make the regulations more restrictive than they were formerly. Under the regulation published January 27, 1984, the proportion of per home expenditures for materials and program support costs were calculated, for the most part, exclusive of the additional funds requested under a "labor waiver" so that direct installation labor did not enter into the materials/program support "ratio." The new amendments published January 4, 1985, eliminated all waivers, therefore throwing direct installation labor into the program support category, which reduces the materials percentage. For example:

**Old Regulation**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>450 Mat. (45%)</td>
<td>$450</td>
</tr>
<tr>
<td>550 P/S (55%)</td>
<td>$550</td>
</tr>
<tr>
<td>Total</td>
<td>$1,000</td>
</tr>
<tr>
<td>600 Labor Waiver</td>
<td>$600</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,600</td>
</tr>
</tbody>
</table>

**New Regulation**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>450 Mat. (28%)</td>
<td>$450</td>
</tr>
<tr>
<td>1,150 P/S (Inc. Labor) (72%)</td>
<td>$1,150</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$1,600</td>
</tr>
</tbody>
</table>
1. Compliance With the 40 Percent Requirement

In following the new regulation [Section 440.18(a)] to calculate the percentage for materials the following information should be used:

A. In Section 440.18(c)(3), (4) and (8), where material and program support costs are combined, that portion of the costs which are attributable to materials should be allocated to the materials category when making computations to determine compliance with the 40 percent material requirement.

B. Local agencies may use the fair market value of materials donated to the agency, or materials manufactured in-house, when making computations to determine compliance with the 40 percent material requirement. Local agencies may also use the fair market value of materials purchased at a discount when making such calculations.

C. A State may exclude from the 40 percent computations any portion of the State's average cost which would have required a labor waiver under the previous program limit of $1,000/home.

Combined Cost: Section 440.18 of the regulations combines allowable materials, program support costs and labor costs in the same line items in many instances. [(See 440.18(c)(3)(c)(4) and (c)(8).] The cost of purchase and delivery of weatherization materials and the cost of repair materials have traditionally been treated as material costs. However, other material costs, such as warehousing of materials and transportation of materials to job sites, may have been treated under the umbrella of other related costs (program support) in individual cases. DOE has now standardized its policy; the following costs will be allocated to materials costs for purposes of calculating the 40 percent average:

a) The cost of purchase and delivery of materials,
b) The cost of transportation to a storage site and to the site of weatherization work,
c) The operating costs of vehicles used to transport weatherization materials,
d) The cost of storage of weatherization materials,
e) The cost of incidental repair materials,
f) The cost of labor involved in manufacturing materials, and
g) The cost of personnel salaries for those individuals involved in purchasing and inventory control and distribution.

For these costs to be allowable, agency records must be sufficiently detailed to allow verification of them.

Fair Market Value: DOE will not penalize agencies that obtain materials less expensively through various arrangements. Allowing agencies to use the fair market value approach to compliance insures that they can continue to purchase materials as cheaply as possible through buying agreements and bulk purchase arrangements. This provision also covers materials that may be constructed by local agency personnel or donated materials that are installed by agency personnel.
Waivered Labor: Elimination of "waivered labor" from compliance calculations will avoid penalizing agencies that concentrate their efforts on what is considered the most cost effective program measure: reducing general heat waste. Under the earlier regulations, agencies could receive waivers to obtain additional labor to complete the full range of general heat wastes activities. Local agencies can continue this flexibility. Any portion of an average cost above $1,000 (that would have been considered waivered labor under this provision) can be excluded when determining compliance with the 40 percent requirement.

Caution: None of the above information permit a grantee or subgrantee to claim reimbursement from DOE for material costs in excess of actual costs. These instructions are designed only to allow a grantee or subgrantee to show the real value of its weatherization efforts for purposes of complying with the 40 percent material requirements.

2. Reminder on Treatment of Administrative Costs

Support Offices should also review instructions issued earlier in DOE's 1985 grant guidance regarding treatment of administrative costs versus program support costs. DOE was encouraged to offer guidance in this area by House Report 95-856 accompanying the Department of Interior and related agencies FY 85 appropriations.

Joseph P. Flynn, Jr.
Director, Division of Weatherization Assistance Programs
Conservation and Renewable Energy

cc: Support Office Directors
PART III: BUDGET INFORMATION

APPLICANT PROCEDURES

As in all grants programs, a budget sheet listing anticipated expenditures by cost category must be prepared. For this purpose, please complete the enclosed Form EIA-459C in accordance with the instructions on the back of the form, as modified below. Applicants should note the restrictions put on expenditures of their funds by the Regulations.

A. Section A: Budget Summary
   Lines 1-4, Columns (a) and (b)

   List Federal, State, or other source of weatherization funds and related Federal Domestic Assistance Catalog number. Do not identify the functions or activities required in Section B, Budget Categories, Columns (1) through (4), etc. Column (c) should include the estimated unobligated Federal funds (carryover). Column (g) should represent the total of columns (c) through (f).

B. Section B: Budget Categories (DOE WAP funds only)

   1. Definition of Budget Categories

   Administrative Categories

   The maximum combined amount for both Grantee Administration and Subgrantee Administration can be no more than 10 percent of the total grant award. The unobligated balance of administrative funds, from prior years, may be added to this amount.

   The WAP program legislation and regulations do not define the Administrative Cost Categories. Any expenditure properly incurred by grantee or subgrantee in carrying out their duties for this program may be charged as Administrative Costs. It should be realized, however, that certain costs in this program, by exclusion from other categories, can only be administrative. Grantee Administration and Subgrantee Administration is considered to be unique to each organization. The organization should define their administrative cost consistent with the generally accepted accounting practices and procedures within each organization. Indirect costs can be considered a part of Grantee Administration and will be considered allowable provided an indirect rate or amount is federally-approved. The rate/amount allowable does not invalidate the program budget category limits.
Grantee Administration (Column 1, page 1 of 2)

- Amount can be no more than 5 percent of the grant as defined above.

- Cost allocation between this category and grantee T&TA must be in accordance with OMB Circular A-102.

Subgrantee Administration (Column 2, page 1 of 2)

- Amount can be no less than 5 percent of the total grant amount as defined above.

- Examples include:
  
  o All telephone costs, including long distance charges, incurred by the weatherization program;
  
  o Salary and fringe benefits of the weatherization coordinator when not carrying out the functions allowable under program support.
  
  o Salaries and fringe benefits of clerks/secretaries, inventory clerks, fiscal and other administrative staff;
  
  o Administrative costs not covered under other defined categories, for example: space, copying and consumables.

Grantee T&TA and Subgrantee T&TA (Col. 3 and 4, page 1 of 2)

- Maximum amount to be budgeted is set by the official notice to apply.

- Allowable expenditures defined by 10 CFR 440.23 include:
  
  o Training and Technical Assistance for any Grantee or Subgrantee;
  
  o Providing information concerning conservation practices to occupants of eligible dwelling units.
Materials (Column 1, page 2 of 2)
- Includes only expenditures for:
  - Materials listed in 10 CFR 400, Appendix A;
  - Materials purchased for incidental repairs as defined in 10 CFR 440.3.
- Materials may be counted as an expenditure in one of two ways:
  - At time of purchase for the warehouse; or
  - Treated as a non-cash asset until applied to a completed dwelling unit and then counted as a materials expenditure.

Program Support Less Labor (Column 2, page 2 of 2)
Transportation of weatherization materials, tools, equipment, and work crews to a storage site and to the site of weatherization work.

Maintenance, operation, and insurance of vehicles used to transport weatherization materials.

- Vehicle insurance should also include vehicle liability insurance.

Maintenance of tools and equipment.

Purchase or annual lease of tools, equipment, and vehicles, except that purchase of vehicles shall receive prior approval of DOE. The required purchase of building permits from local governments is allowable under this category.

Employment of on-site supervisory personnel:

- This category is being defined for general consistency purposes as the off-site personnel that are involved in the very broadly defined process of supervising the work of on-site labor. This includes initial inspectors, quality control persons, installing materials, warehouse personnel who are engaged in handling materials, and that percentage of the Weatherization Coordinator's salary and fringe benefits spent in actual performance of supervising or performing the above functions.
- Storage of weatherization materials, tools, equipment, and weatherization vehicles.
  - This would include Utilities at warehouse only, i.e., heat, lights and water.

Labor (Column 3, page 2 of 2)

Labor category expenditures are limited to those defined in 10 CFR 440.19 including:

- Wages paid to training participants and public service employment workers pursuant to JTPA;
- Payments to employ on-site labor or engage contractors to install weatherization materials including:
  - Payments to sub-contractors;
  - Salaries and fringe benefits of crew members;
  - Salaries and fringe benefits of crew leaders who actually install weatherization materials at the job site.

Liability Insurance (Column 4, page 2 of 2)

- Cost of liability insurance for the weatherization projects for personal injury and for property damage. This was established to cover general agency liability insurance and not vehicle liability insurance.

Low-Cost/No-Cost

- Materials used for inexpensive weatherization activities and materials for additional work on dwellings that were weatherized before the maximum expenditure per dwelling was increased to $1,000. Cost is limited to $50 per dwelling in consonance with the provisions of 10 CFR 440.20.

2. General

- Pages should be numbered. The "Total" column on page 1 should reflect all totals (for all pages). The total on line 6.k., column (5) should agree with the amount shown in line 1 column (g), Section A.
- On lines 6a through h, if the grant program, function, or activity relates solely to subgrantee expenditures the total estimated cost should be reflected in the contractual category (see example).
C. Budget Narrative/Justification

A detailed narrative explanation and quantitative justification must be attached in accordance with the DOE Financial Assistance Rules, 10 CFR 600.10(c)(3) and (e), and the DOE Weatherization Assistance Program Regulation, 10 CFR 440.12 (b)(3). The following questions and statements, and only these, must be addressed to support the Grantee's budgeted costs by object class category:

1. Personnel
   a. Identify the number and type of positions by program, activity and function. At the Grantee's option, the names of specific employees and titles may be used in lieu of number and type of positions.
   b. Identify the total annual time commitments of each position or employee by program, activity and functions.
   c. Identify the compensation to be paid by position or employee.

2. Fringe Benefits
   Identify the items included as fringe benefits and explain how fringe benefits were computed.

3. Travel
   a. Provide an explanation of your travel costs.
   b. Are the travel costs estimated consistent with grantee travel policy?

4. Equipment
   a. Identify each item of capital equipment (vehicles included) which is anticipated to be purchased.
   b. Identify the unit cost per item.
   c. Explain the need for the equipment being proposed.
5. **Supplies and Materials**
   
a. Itemize the materials and supplies to be purchased.

b. Identify the cost per item or other basis of computation.

6. **Contracts**
   
a. Identify the goods and/or services projected to be purchased.

b. Explain the need for using contracts to accomplish the program goals.

c. Provide the basis and computation for the amount estimated per contract.

d. Are any sole source contracts contemplated in excess of $10,000? If yes, provide support to justify the sole source planned.

7. **Subgrants**
   
Explain how subgrantee estimated costs are evaluated and approved.

8. **Other**
   
a. Identify the items of costs which make-up this category.

b. Provide the basis for computing each category.

c. What, if any, contingencies are included in this category?

9. **Indirect Cost**
   
a. If indirect costs are being proposed, provide the current negotiated indirect cost rate agreement as approved. If not yet approved, provide the indirect cost rate proposed and the appropriate cognizant Federal agency contact and telephone number.

b. If no indirect cost rate agreement exists, and indirect costs are being proposed, provide the basis for the amount requested.

c. Are there indirect type costs being proposed directly? If yes, either eliminate or describe the items and provide how these costs are not being duplicated as direct cost.