

**DEPARTMENT OF HEALTH & HUMAN SERVICES****Program Support Center
Financial Management Service
Division of Cost Allocation****Room 732
1301 Young Street
Dallas, TX 75202
PHONE: (214) 767-3261
FAX: (214) 767-3264**

August 8, 2011

Ms. Brenda Needham
Executive Director
Little Dixie Community Action Agency
209 N. 4th Street
Hugo, OK 75202

Dear Ms. Needham:

A copy of an indirect cost Rate Agreement is being faxed to you for signature. This Agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indirect costs on grants and contracts with the Federal Government.

Please have the original signed by an authorized representative of your organization and fax it to me, retaining the copy for your files. Our fax number is (214) 767-3264. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

An indirect cost proposal, together with the supporting information, are required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending 12/31/11 is due in our office by 06/30/12.

Sincerely,

A handwritten signature in black ink, appearing to read "Arif Karim", with a long horizontal flourish extending to the right.

Arif Karim
Director, Central States Field Office
Division of Cost Allocation

Enclosures

PLEASE SIGN AND FAX A COPY OF THE RATE AGREEMENT

NONPROFIT RATE AGREEMENT

EIN: 1730772321A1

DATE: 08/08/2011

ORGANIZATION:

FILING REF.: The preceding
agreement was dated
08/13/2010Little Dixie Community Action Agency
209 N. 4th
Hugo, OK 75202-

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES

 RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FINAL	01/01/2010	12/31/2010	22.10	On Site	All Programs
PROV.	01/01/2011	12/31/2011	22.50	On Site	All Programs
PROV.	01/01/2012	Until Amended	21.90	On Site	All Programs

*BASE

Direct salaries and wages including vacation, holiday, sick pay and other paid absences but excluding all other fringe benefits.

ORGANIZATION: Little Dixie Community Action Agency

AGREEMENT DATE: 08/08/2011

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits are listed below.

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.

This organization charges all costs direct to a particular final cost objective; i.e., a particular award, project, service, or other direct activities, with the exception of the costs listed below:

1. Salaries and wages:

Executive Director	Associate Directors(4)
Accounting Supervisor	Fiscal Officer
Bookkeepers (4)	Director of Planning
Administrative Asst. (2)	Receptionist
Director of Operations	Purchasing Agent
Planner/Grant Writer(4)	Deputy Director

2. Fringe benefits for the above personnel only.

3. Non-labor expenses (administrative only):

Travel	Communications
Supplies	Equipment Repairs
Consultants	

4. Non-labor expenses (all; i.e., totally indirect costs):

Audit	Utilities	Telephone(except long distance)
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Equipment Definition -

Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

The following fringe benefits are included in the fringe benefit charging rate: Accrued Termination Leave, Group Health Insurance , Worker's Compensation.

The following fringe benefits are estimated and charged based on actual costs: FICA, Retirement, Life Insurance, Worker's Compensation, Unemployment Insurance, Health Insurance and Long Term Disability.

The indirect cost rate(s) has/have been negotiated in compliance with the applicable Administration for Children and Families Program Instructions for the Head Start program (ACYF-PI-HS-05-01 and ACYF-PI-HS-08-03). ACYF-PI-HS-08-03). ACYF-PI-HS-08-03, dated 5/12/2008, specifically defines "compensation" and limited the cost of "compensation" charged to any federally funded program to zero for any staff whose "compensation" exceeded the rate payable for level II of the Executive Schedule. As of January, 2011 the Executive Schedule Level II rate is \$179,700.

ORGANIZATION: Little Dixie Community Action Agency
AGREEMENT DATE: 08/08/2011

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization 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 of the authorized representative of the cognizant agency. 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. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-122 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

BY THE INSTITUTION:

Little Dixie Community Action Agency

(INSTITUTION)

(SIGNATURE)

(NAME)

(TITLE)

(DATE)

Brenda Needham
Brenda Needham
Executive Director
8/16/11

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Arif Karim

(NAME)

Director, Central States Field Office

(TITLE)

8/8/2011

(DATE) 0056

HHS REPRESENTATIVE: Theodore Foster

Telephone: (214) 767-3261