# Contract Cost Budget

# Cooperative Reimbursement Contractfor State Agencies and Local Governments

1. **Budget**. Authorized budgeted expenditures for work performed are as follows:

| **Budget Category** | **Cost for Work to be Performed** |
| --- | --- |
| Salary / Wages | $ |
| Fringe Benefits | $ |
| Travel | $ |
| Supplies | $ |
| Equipment | $ |
| Contractual | $ |
| Construction | $ |
| Other | $ |
| Indirect Costs | $ |
| **Total** | **$** |

1. **Indirect Cost Reimbursable Rate**. The reimbursable rate for this Contract is      % of (check one):

**[ ]  salary and fringe benefits**

**[ ]  modified total direct costs**

**[ ]  other direct costs base**

**If other direct cost base, identify:**

**This rate is less than or equal to (check one):**

**[ ]  approved predetermined rate**

**[ ]  experienced-based predetermined rate**

**[ ]  default rate**

1. **Other**. If Budget Category “Other” is greater than $25,000 or more than 10% of budget total, identify the main constituents:

1. **Budget Categories**. The Budget Categories above have the definitions, requirements and limitations stated in UGMS. Construction costs are not reimbursable without prior, specific written authorization from TCEQ.
2. **Budget Control**. Actual costs to be reimbursed for each line item above must not exceed ten percent (10%) over the budgeted amount for that line item. Total costs to be reimbursed must be at or less than the total specified. All invoices must be submitted in a format that clearly shows how this requirement is being met. At a minimum, invoices must show expenses for the invoice period, year-to-date expenses, projected totals for the year (or applicable contract period), percent of budget spent to date, and percentage of budget projected to be spent.
3. **Invoice Submittal**. Unless otherwise stipulated in the Contract, invoices must be submitted to the individual named in TCEQ Project Representatives and Records Location at monthly intervals. Final invoices shall be submitted within two (2) calendar months after completing the Scope of Work activities. TCEQ may extend this deadline by unilateral contract agreement.
4. **Grant Chargeback Invoices**. In the case of an invoice for grant activities being paid during the second fiscal year for which the funds were appropriated, ALL INVOICES MUST BE SUBMITTED IN SUFFICIENT TIME FOR TCEQ REVIEW, NECESSARY CORRECTIONS, TCEQ APPROVAL, AND SUBSEQUENT PRESENTATION TO THE COMPTROLLER BEFORE THE END OF THE FISCAL YEAR.
5. **Travel**. In order to be reimbursable, travel costs must be specifically authorized in advance of the travel. Travel costs, including per diem, will be reimbursed only in the amount of actual costs, up to the maximum allowed by law for employees of the State of Texas at the time the cost is incurred.
6. **Supporting Records**. Performing Party shall submit records and documentation to TCEQ as appropriate for the review and approval of reimbursing costs. TCEQ may reject invoices without appropriate supporting documentation. TCEQ has the right to request additional documentation. Performing Party shall maintain records subject to the terms of this Contract.
7. **Indirect Costs**. Performing Party’s indirect costs will be reimbursed at the reimbursable rate shown above (if no reimbursable rate is shown above, indirect costs are not reimbursable under this Contract). The reimbursable rate must be less than or equal to the rate authorized under UGMS. To the extent that the reimbursable rate is lower than Performing Party’s actual indirect costs, Performing Party is contributing its unreimbursed indirect costs to the successful performance of this Contract, and waives any right it may have to reimbursement of those costs (if this Contract requires matching funds, Performing Party may claim its unreimbursed indirect costs as part or all of its match).
8. **Indirect Rates Authorized under UGMS. The following rates are authorized under UGMS:**

**Approved Predetermined Rate. An approved predetermined rate is an indirect cost rate agreed to within the preceding 24 months in a signed indirect rate negotiation agreement with the applicable federal cognizant agency, state single audit coordinating agency, major state funding agency, or another state agency designated by the Governor. An approved predetermined rate shall be expressed as a percentage of the direct cost base specified in the signed indirect rate negotiation agreement.**

 **Experience-Based Predetermined Rate**. An experienced-based predetermined rate is an indirect cost rate agreed to between TCEQ and Performing Party, where there is no approved predetermined rate and there is sufficient cost experience and other pertinent facts to enable the parties to reach an informed judgment (a) as to the probable level of indirect costs in the Performing Party’s programs during the term of the Contract, covered by the negotiated rate, and (b) that the amount allowable under that rate would not exceed actual indirect costs. An experience-based predetermined rate shall be expressed as a percentage of either (a) salary or wages, or (b) modified total direct costs. Modified total direct costs are total direct costs less “extraordinary or distorting expenditures,” usually capital expenditures, subawards, contracts, assistance payments (e.g., to beneficiaries), and provider payments. The direct cost base selected should result in the fair distribution of indirect costs among all state and federal grants and contracts affected, as well as other Performing Party activities that share in the indirect costs.

**Default Rate.** A default rate is an indirect of ten percent (10%) of direct salary and wages, to be used where (a) there is no approved or experienced-based predetermined rate, and (b) the Performing Party represents that its actual indirect costs equal or exceed ten percent (10%) of salary and fringe.

1. **Adjustment of Indirect Rates.** A reimbursable rate is intended to be final. Performing Party acknowledges that TCEQ’s budget is limited and funds may not be available to reimburse any increase in indirect costs. Performing Party waives any right it may have to upward adjustment of its indirect rate, and agrees to contribute any such increase to the successful performance of this Contract (if matching funds are required, Performing Party may claim such costs as all or part of its match). TCEQ waives any right it may have to a downward adjustment of Performing Party’s indirect rate, unless the reimbursable rate is greater than the Performing Party’s actual indirect costs. If the latter case, if reasonably feasible, a compensating adjustment shall be carried forward to this Contract or a future contract. If not feasible, where permitted by law TCEQ and Performing Party may identify additional services to be performed by Performing Party as a compensating adjustment, or Performing Party shall reimburse TCEQ the excess indirect costs paid.