



# United States Department of the Interior

OFFICE OF THE SECRETARY  
Washington, DC 20240

**MEMORANDUM**

**DATE:** May 6, 2026

**TO:** Eric Bridges, Executive Director  
Texoma Council of Governments

**FROM:** Craig A. Wills, Division Chief  
Indirect Cost & Contract Audit Division (ICCAD)  
Financial Management Directorate (FMD)  
Interior Business Center (IBC)

**SUBJECT:** State and Local Government Grant Recipient Exemption from Negotiating Indirect Cost Rate Proposal

This memorandum acknowledges receipt of an indirect cost rate proposal submitted by Texoma Council of Governments. The proposed indirect cost rate(s) and applicable base(s) are as follows:

Start Date	End Date	Rate Details				
		Name	Rate	Base	Location	Applicable To
05/01/2026	04/30/2027	Indirect	34.91%	(A)	All	All Programs

**(A) Base:** Direct salary and fringe.

In accordance with 2 CFR 200, Appendix VII, Section D.1.c, governmental departments and agencies that receive less than \$35 million in direct Federal funding during a single fiscal year are not required to submit an indirect cost rate proposal to the cognizant Federal agency for negotiation. Instead, such entities must retain their indirect cost rate proposal as documentation and are permitted to use their self-certified indirect cost rate to claim indirect costs on Federal awards.

Based on the information provided, Texoma Council of Governments received less than \$35 million in direct Federal funding and, therefore, qualifies for this exemption. ICCAD will not perform a cost review or negotiation of the submitted indirect cost rate proposal. Texoma Council of Governments is responsible for self-certifying the proposed indirect cost rates in accordance with the regulation.

**Important Notice:**

Issuance of this memorandum does not constitute approval, certification, or endorsement that the indirect costs are allowable, allocable, or reasonable under the 2 CFR 200 Subpart E – Cost Principles. The indirect cost rates are self-certified by the entity and remain subject to oversight, audit, or review as deemed necessary by Federal awarding agencies or oversight bodies.

**Election of Indirect Cost Rate Methodology:**


For the fiscal year period covered by this exemption letter, the recipient must elect either its self-certified indirect cost rate or the de minimis rate and apply that election consistently across all Federal grant awards. Changing methodologies within the same fiscal period in a manner that results in inconsistent indirect cost recovery is not permissible.

**Future Considerations:**

If future circumstances require ICCAD to resume negotiation of indirect cost rates for this recipient (e.g., due to increased Federal funding or an approved exemption), any carry-forward balances from previously self-certified fixed-with-carry-forward (FCF) rates will be subject to review. The recipient is advised to maintain accurate records of actual costs and variances to support any future rate development.

In accordance with 2 CFR 200.334(f)(2), the recipient is required to maintain a complete copy of its indirect cost rate proposal and all supporting documentation for a three-year period, starting from the end of the fiscal year covered by the proposal. Additionally, under 2 CFR 200.337, Federal agencies, pass-through entities, Inspectors General, and the Comptroller General retain the right of access to recipient and subrecipient records and personnel for audits, site visits, and other official purposes.

Sincerely,

DocuSigned by:  
  
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Craig A. Wills  
Division Chief  
Indirect Cost & Contract Audit Division  
Financial Management Directorate  
Interior Business Center