

NEGOTIATED INDIRECT COST RATE AGREEMENT(NICRA)

What is NICRA?

A document published to reflect an estimate of indirect cost rate negotiated between the Federal Government and a Grantee/Contractor's organization which reflects the indirect costs (facilities and administrative costs) & fringe benefit expenses incurred by the organization that will be the same across all the agencies of the United States.



When is NICRA applied?



- ➔ When a Grantee/Contractor has indirect costs already negotiated with the USG. As it is difficult for a Federal agency to determine the indirect costs associated with conducting a program or project.
- ➔ The NICRA allows the Grants or Contracting officer to quickly calculate the appropriate allocation of indirect costs associated with any one project and this streamlines the entire process.

AUTHORITY

Office of Management and Budget (OMB)

Circular A - 122 Section E

“Negotiation and Approval of Indirect Cost Rates”



NICRA Designations

NICRA DESIGNATION	DESCRIPTION	RENEWAL
Provisional	A provisional rate is a temporary rate established for a given period of time to permit funding, claiming, and reporting of indirect costs pending establishment of a permanent rate for that period.	Upon completion of the Grant/Contract period
Predetermined	A predetermined rate is a permanent rate established for a specific future period based on a review of actual costs from a preceding period. These rates are not subject to adjustment except under very unusual circumstances.	Two to five years
Fixed	A fixed rate has the same characteristics as a predetermined rate; however, the difference between the costs used to establish the fixed rate and the actual costs incurred during the fiscal year covered by the fixed rate is classified as a carry-forward. Carry forward is used as an adjustment to the current rate to allow the Grantee/Contractor to either recover under recovery or pay back an over recovery in a subsequent year.	Two years, then annually thereafter
Final	A final rate is a permanent rate established after an organization's actual costs for a current year are known. A final rate is used to adjust indirect costs claimed based on a provisional rate.	Typically annually

LEARN MORE ▶

- ➔ Link for more information on NICRA - <https://www.usaid.gov/data/dataset/21ecfb30-d6a2-4072-acdf-86f5abfeeee5>
- ➔ Link for a Guide for Indirect Cost Determination - <https://www.dol.gov/oasam/boc/dcd/DCD-2-CFR-Guide.pdf>

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