

**Association of US Delegates to the Gulf of Maine Council on the Marine
Environment Administrative Rate Policy**

Updated September 2010

Approved October, 2010

BACKGROUND: In 2004, the Association of US Delegates to the Gulf of Maine Council on the Marine Environment (US Association) adopted an operating procedure to set an annual Administrative Rate that would be charged against all grants and contracts. The approved annual rates have been based on a standard method of calculating actual direct and indirect cost expenditures which has been presented in writing by the US Association's independent auditor. The annual Administrative rate is instituted after the December US Association and Gulf of Maine Council on the Marine Environment (Council) meeting and applied to all new grants and contracts managed by the US Association. The Administrative Rates that have been adopted follow the Authority of the Office of Management and Budget (OMB) Circular A-122 *Cost Principles for Non-Profit Organizations*.

ADMINISTRATIVE RATE POLICY: The US Association will decide upon and set an annual administrative rate at their December Board of Directors (Board) meeting. This rate will be based upon the rate stated in the independent auditor's indirect cost rate letter. The Board approved rate will go into effect after the December Board meeting and remain in place until a new rate is approved at the next year's December meeting. The approved rate will be charged against all new grants and contracts managed by the US Association with the following special administrative rate exception. A special administrative rate may be negotiated when there is a specific situation, such as the US Association acting as a fiscal agent, where the indirect cost rate set by the US Association for that year is deemed inappropriate. Special administrative rate requests will be reviewed on a case-by-case basis by the US Association Board and Board approval will be required before a special administrative rate goes into effect. The Council's Management and Finance committee will review requests prior to Board review and any comments or recommendations will be presented to the Board. The Administrative Rates used will follow the Authority of the Office of Management and Budget (OMB) Circular A-122 *Cost Principles for Non-Profit Organizations*.