

United States Department of the Interior

INTERIOR BUSINESS CENTER

Effective Date: 04/13/2026

Policy Title: Dispute Resolution and Appeals Procedures for Indirect Cost Rate Negotiation Decisions

Origination Office: Indirect Cost & Contract Audit Division (ICCAD)

Applies To: Non-Federal Entity (NFE) grant recipients engaging in indirect cost rate negotiations with ICCAD Indirect Cost Service (ICS) personnel.

1. Purpose:

This policy supplements 2 CFR 200, Appendix IV.C.2.h, and Appendix VII.F.4. It establishes formal procedures for resolving disputes and formal appeals submitted by Non-Federal Entity (NFE) grant recipients who disagree with indirect cost rate negotiation decisions issued by the Interior Business Center's (IBC) Indirect Cost & Contract Audit Division (ICCAD). It provides a transparent and equitable process for NFEs while ensuring ICCAD personnel follow consistent, defensible standards when managing disagreements and issuing decisions.

2. Scope:

The procedures apply to all ICCAD Indirect Cost Service (ICS) personnel and NFEs engaged in indirect cost rate negotiations. The policy outlines each stage of the dispute and appeal process, from initial escalation to final agency review, and provides defined timelines and documentation requirements to ensure timeliness, accountability, and fairness.

3. Policy & Procedures:

A. Dispute Escalation

- Unresolved disagreements with the Indirect Cost Rate Negotiator are elevated to the Indirect Cost Services Branch Chief for review.
- If unresolved, the matter is referred to the ICCAD Division Chief, acting as the Dispute Decision Official (DDO), who issues an Agency Decision **within 60 calendar days**, along with their rights to appeal this decision.
- The DDO may consult with the DOI Solicitor's Office, Cognizant Federal Awarding Agency, Office of Management and Budget (OMB), or the Office of Inspector General (OIG).

B. Formal Appeal Submission

NFEs may submit an electronic written appeal **within 30 calendar days** of receiving the DDO's decision to the Appeal Decision Official. The Appeal must include:

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- A copy of the DDO Decision.
- Factual and legal justification with supporting evidence.
- The specific remedy or outcome requested.
- NFE representative contact information.
- If the Appeal is not submitted timely, the DDO decision constitutes the final agency action.

C. Acknowledgment and Initial Review

The ADO will electronically acknowledge receipt of the Appeal **within 7 calendar days**. If additional documentation is required, the NFE will be given up to **14 calendar days** to provide it.

D. Appeal Determination and Agency Final Decision

The ADO issues a decision within **45 calendar days** based on all relevant materials. This decision constitutes the final agency action.

4. Authority/Reference:

- 2 CFR 200. Appendix IV-Indirect Costs Identification and Assignment, and Rate Determination for Nonprofit Organizations
- 2 CFR 200. Appendix VII-States and Local Government and Indian Tribe Indirect Cost Proposals

5. Defined Roles:

- **Appeal Decision Official (ADO):** The Financial Management Directorate Associate Director, or delegate who reviews and issues decisions on submitted Appeals.
- **Dispute Decision Official (DDO):** The ICCAD Division Chief or delegate responsible for issuing the Agency Decision or Negotiated Indirect Cost Rate Agreement (NICRA) to the NFE. The DDO or delegate shall not be the same Indirect Cost Service branch chief with the dispute matter.
- **Indirect Cost Service Branch Chief:** An ICCAD supervisor who oversees indirect cost service branch operations and quality controls the work of Indirect Cost Rate Negotiators.
- **Indirect Cost Rate Negotiator:** An ICCAD employee who works with the NFE to review, establish, and develop their indirect cost rate for acceptance.
- **Non-Federal Entity (NFE):** Any non-federal entity grant recipient applying for an indirect cost rate from ICCAD, including but not limited to State, local, and Insular governments, Indian Tribes, Non-Profit Organizations, and For-Profit companies.

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6. Approval.

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