

**Amendment to
Fish and Wildlife Service Manual Chapter 264 FW 2**

Series: Finance
Part 264: Cost Recovery
Chapter 2: Recovery of Full Costs/ Reimbursable Agreements
Amendment Number: 1
Purpose: The purpose of this amendment is to update the section of this chapter related to Natural Resource Damage Assessment and Restoration (NRDAR) and Oil Pollution Act (OPA) agreements and the application of indirect costs.

Action: Change the following subsections in section 2.7 F. NRDAR/OPA Agreement,

From:

(1) Use for all agreements where funding is provided for damage assessment and/or restoration efforts receiving funding through either the NRDAR subactivities and/or direct transfers from the Department's Natural Resource Damage Assessment and Restoration Program. Regional staff must include applicable indirect cost rates to all cost estimates submitted to the Department of Justice or Responsible Party. Indirect costs will be transferred by the Department of the Interior to a separate subactivity and periodically redistributed to the Servicewide Administrative Support subactivity. Regional submissions must always include the following information:

- (a)** Restoration Efforts - Direct Costs (8381)
- (b)** Restoration Efforts - Indirect Costs (8364)
- (c)** Past Costs - Direct Costs (8310 /8912)
- (d)** Past Costs - Indirect Costs (8364)

(2) If a settlement occurs for an amount less than requested by the Service, funding will first be used toward restoration, then past costs of assessment and all remaining funds must be directed to the indirect cost subactivity.

(3) In cases where a Trustee Council manages a project, indirect costs will be included in all estimates and paid unless overruled by other Trustee Council members. If several agencies are involved, the Council may use an average indirect cost rate or the rate of the agency anticipated to do the majority of work.

(4) Departmental policy requires the use of an additional indirect cost rate when calculating claims. This policy is available from the Office of Natural Resource Damage Assessment and Restoration and should be implemented with Service policy as soon as practicable.

To:

(1) You must calculate and submit for reimbursement indirect costs for all NRDAR and OPA activities, including assessment claims, restoration activities, and spill response activities. Include the current Fish and Wildlife Service indirect rate (see [Memorandum on Cost Recovery Rates for](#)

[Fiscal Years 2007 and 2008](#), 08/25/2006) and the applicable Regional indirect rate (contact your Regional Budget and Finance Office). The indirect costs apply whether they are being paid by:

(a) The Responsible Party in advance through a Funding and Participation Agreement, or later during settlement;

(b) The U.S. Coast Guard Fund Center for spill response, emergency restoration, assessment or restoration; or

(c) A trustee council when settlement funds are allocated for restoration.

(2) You must use the full Service indirect rate unless the funds are:

(a) Pass-through funds,

(b) For work done by staff located at a Service-owned facility, or

(c) For purchase of land. (Check with your Regional Budget and Finance Office for the appropriate rate for these activities. If you do not use the full Service indirect rate, you must provide an explanation for using a reduced rate.)

(3) Departmental policy requires we use an additional indirect cost rate when calculating claims. This policy is available from the [Natural Resource Damage Assessment and Restoration Program Office](#).

/sgd/ Rowan W. Gould
ACTING DIRECTOR

Date: August 1, 2008