

42.705-4 State and local governments.

The OMB Uniform Guidance at 2 CFR part 200, subpart E and appendix V, concerning cost principles for state and local governments (see [subpart 31.6](#)) establishes the cognizant agency concept and the procedures for determining a cognizant agency for approving State and local government *indirect costs* associated with federally-funded programs and activities. The *indirect cost rates* negotiated and approved by the cognizant agency for *indirect costs* will be used by all *Federal agencies* that also award contracts to these same State and local governments.

Parent topic: [42.705 Final indirect cost rates.](#)