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Subpart 742.7—Indirect Cost Rates

Parent topic: [PART 742—CONTRACT ADMINISTRATION AND AUDIT SERVICES](#)

742.770 Negotiated indirect cost rate agreement.

When USAID is the cognizant Federal agency pursuant to FAR 42.003, USAID may enter into a Negotiated Indirect Cost Rate Agreement with the contractor to establish billing rates and final indirect cost rates in accordance with FAR 42.703. The Negotiated Indirect Cost Rate Agreement is incorporated into the contract pursuant to FAR 42.703-1(b). Application of the Negotiated Indirect Cost Rate Agreement, including any adjustments thereto, will be subject to any monetary or indirect rate ceiling, obligation, limitation of cost provision, and specific cost allowance or disallowance provided for in each contract between the parties.