

- (b) The Contractor shall certify in each monthly report that the costs included in the report for Recovery Act work were incurred only to accomplish the Recovery Act work in accordance with the work scope.

## **G.5 Indirect Charges**

In accordance with the general principles of the Recovery Act the Contractor must take the following steps to minimize the impacts of indirect costs and enhance transparency and accountability of project:

- (a) Clearly identify the estimated full cost of projects to include total direct and indirect costs, indirect costs rates, and adjust existing indirect cost rate to account for the material infusion of funds provided in the Recovery Act;
- (b) Exempt funds from contract cost base for distributing Laboratory Directed Research and Development or similar funds taxing programs;
- (c) Ensure all funds transferred by The Alliance for Sustainable Energy, LLC are completed using the Approved Funding Program process described in Chapter 12 of the Accounting Handbook; and
- (d) The Federal Administrative Charge (FAC) of three percent is waived on reimbursable work funded by the Recovery Act and performed by Departmental Federal offices or The Alliance for Sustainable Energy, LLC.
- (e) In all cases listed above and otherwise, the Contractor shall develop and maintain prudent management and good business practices regarding their indirect rate structure as it applies to Recovery Act funding.