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# INDIRECT & FRINGE REIMBURSEMENT

ODOC Weatherization Program Notice 26-3  
Issued January 23, 2026

**To:** All ODOC Subgrantee Regional Weatherization Service Providers - Executive Directors and Weatherization Program Managers

**Regulations:** DOE PY 25 Contract Part II, DOE PY 25 RFA

**Purpose:** To update previously provided indirect and fringe benefits cost reimbursement after a U.S. District Court ruling.

**Implementation Date:** Effective January 23, 2026. This guidance will remain in effect until further ODOC notice.

**Supersedes:** DOE PY 25 Contract Part II, DOE PY 25 RFA. This guidance will remain in effect until further ODOC notice.

## Regulatory Background

On June 20, 2025, the Department of Energy (DOE) released a [Financial Assistance Letter](#) that provided updated regulations regarding indirect and fringe benefits cost reimbursement. Starting with Department of Energy Weatherization Assistance Program (DOE WAP) Program Year (PY) 25, Subgrantees will be limited to a maximum percentage of 10% of the Total Award Amount for reimbursement of indirect costs and fringe benefits costs.

On November 10, 2025, the U.S. District Court for the District of Oregon entered an [order vacating Policy Flash PF 2025-25](#) in its entirety and enjoining DOE from implementing it ([Case 6:25-cv-01458-MTK](#)). This ruling determined that DOE cannot enforce this requirement, and all contacts shall proceed without utilizing this policy. Per the ruling, DOE has 60 days to appeal this decision.

## **Program Guidance**

1. The Oklahoma Department of Commerce provided notice of this change in policy within the PY 25 Contract Part II and the application Request for Application (RFA).
2. Due to the U.S. District Court ruling, this requirement is no longer required or necessary.
3. All previously declared accounting policies shall remain in effect as previously written.
4. ODOC will not enforce the policies found in Contract Part II, Section 24, or in the PY 25 RFA, Section 3.2.4, where this policy is addressed.

If you have any questions about this Oklahoma Weatherization Program Notice (OWPN), please contact your Energy Programs Planner.