



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation26 Federal Plaza, Room 41-122
New York, New York 10278
Phone: (212) 264-2069
Fax: (212) 264-5478

August 25, 2009

Mr. Stephen J. DiPaolo
University Controller
Rutgers University
3 Rutgers Plaza, Admin. Sv. Bldg. 3, 2nd Fl.
New Brunswick, New Jersey 08901-3325

Dear Mr. DiPaolo:

A negotiation agreement is being faxed to you for signature. This agreement reflects an understanding reached between your institution and a member of my staff concerning the rates or amounts that may be used to support your claim for costs on grants and contracts with the Federal Government. The agreement must be signed by a duly authorized representative of your institution and faxed to me; retain a copy for your file. Our fax number is (212) 264-5478. We will reproduce and distribute the agreement to awarding agencies of the Federal Government for their use.

Requirements for adjustments to costs claimed under Federal Grants and Contracts resulting from this negotiation are dependent upon the type of rate contained in the negotiation agreement. Information relating to these requirements is enclosed.

In consideration of this negotiation agreement:

1. Attached are 12 documents entitled "Components of Published Facilities and Administrative Cost Rate(s)". There is one document issued for each facilities and administrative cost rate published on the rate agreement. These documents should be signed and faxed to this office along with the signed original copy of the rate agreement.
2. A fringe benefit proposal based on actual costs for fiscal year ending June 30, 2008 is currently on extension. A fringe benefit proposal based on actual costs for fiscal year ending June 30, 2009 is due by December 31, 2009.

A proposal encompassing all activities of your institution together with the required supporting information must be submitted to my office at the address shown on page 2 for each fiscal year your institution claims costs under grants and contracts awarded by the Federal Government. This proposal is due

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within six months after the close of your fiscal year. Therefore, a proposal for fiscal year ending June 30, 2012 will be due in my office not later than December 31, 2012. The proposal will be used to establish rates/amounts for the fiscal year subsequent to the last period covered by an approved final, fixed, or predetermined rate(s). Failure to submit a timely proposal will be interpreted as a forfeiture of reimbursement for indirect costs. Therefore, unless a proposal is received by December 31, 2012, future awards made by the Department of Health and Human Services will be for direct costs only and will not provide for the recovery of costs contained in this agreement. In addition, the costs claimed against awards already made may be subject to disallowances.

If you are unable to submit your proposal by the prescribed date, you may request an extension. This request must be submitted prior to the due date of the proposal and must contain a justification for the extension and the date the proposal will be submitted.

Your proposal and relevant correspondence should be addressed to:

Department of Health and Human Services
 Division of Cost Allocation
 26 Federal Plaza, Room 41-122
 New York, New York 10278
 (212) 264-1823

In addition, please acknowledge your concurrence with the comments and conditions cited above by signing this letter in the space provided below and FAX (212-264-5478) it to me with the enclosed negotiation agreement.

Sincerely,

Robert I. Aaronson
 Robert I. Aaronson
 Director, Division of
 Cost Allocation

Enclosures

Concurrence:

Name

Stephen J. DiPaolo
 University Controller

Title

Date

8/27/09

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 1226001086A1

DATE: August 25, 2009

INSTITUTION:
Rutgers University
3 Rutgers Plaza, Admin. Sv. Bldg. 3, 2 Fl
New Brunswick NJ 08901-3325

FILING REF.: The preceding Agreement was dated November 13, 2008

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES*

RATE TYPES: FIXED		FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)	
TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
FINAL	07/01/08	06/30/09	54.5	On-Campus	Research
PRED.	07/01/09	06/30/10	54.5	On-Campus	Research
PRED.	07/01/10	06/30/12	54.0	On-Campus	Research
PRED.	07/01/12	06/30/13	55.0	On-Campus	Research
FINAL	07/01/08	06/30/09	26.0	Off-Campus	Research
PRED.	07/01/09	06/30/13	26.0	Off-Campus	Research
FINAL	07/01/08	06/30/09	51.9	On-Campus	Instruction
PRED.	07/01/09	06/30/13	53.0	On-Campus	Instruction
FINAL	07/01/08	06/30/09	26.0	Off-Campus	Instruction
PRED.	07/01/09	06/30/13	26.0	Off-Campus	Instruction
PRED.	07/01/09	06/30/13	37.2	On-Campus	Other Sponsored Prog
PRED.	07/01/09	06/30/13	26.0	Off-Campus	Other Sponsored Prog
FINAL	07/01/08	06/30/09	14.0	Off-Campus	Special Instruction
PRED.	07/01/09	06/30/13	14.0	Off-Campus	Special Instruction
PROV.	07/01/13	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2013.		

***BASE:**

Total direct costs excluding capital expenditures (buildings, individual items of equipment; alterations and renovations), that portion of each subaward in excess of \$25,000; hospitalization and other fees associated with patient care whether the services are obtained from an owned, related or third party hospital or other medical facility; rental/maintenance of off-site activities; student tuition remission and student support costs (e.g., student aid, stipends, dependency allowances, scholarships, fellowships).

INSTITUTION:
Rutgers University

AGREEMENT DATE: August 25, 2009

SECTION I: FRINGE BENEFITS RATES**

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE (%)</u>	<u>LOCATIONS</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			
FIXED	07/01/08	06/30/09	35.2	All	All Employees
PROV.	07/01/09	UNTIL AMENDED	35.2	All	All Employees

Base: Direct salaries and wages excluding Post-Doctoral Fellowships and overtime and summer salaries of academic year faculty which are recorded under object code 135. (See Special Remarks).

**DESCRIPTION OF FRINGE BENEFITS RATE BASE:
Salaries and wages.

INSTITUTION:
Rutgers University

AGREEMENT DATE: August 25, 2009

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) are listed below.

TREATMENT OF PAID ABSENCES:

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims for the costs of these paid absences are not made.

1. Off-Campus definition: All activities conducted in facilities not owned by the organization and all activities conducted at field locations where no permanent facilities are used are considered off-site and not apportioned between their on-site and off-site components. If 50% or more of the indirect cost rate base cost of the project are determined to be on-site, the entire project is considered on-site. If less than 50% of the indirect cost rate base are determined to be on-site, the entire project is considered off-site.

2. The rates in this agreement have been negotiated or revised, as appropriate, to reflect the administrative cap provisions of the revision to OMB Circular A-21 published by the Office of Management and Budget on May 8, 1996. No rate affecting the institution's fiscal periods beginning on or after October 1, 1991 contains total administrative cost components in excess of that 26 percent cap.

3. Effective beginning fiscal year ended June 30, 1977, a New Jersey State-Wide Fringe Benefit rate was negotiated that is applicable to Rutgers. The negotiated rate applicable to all programs excluding the JTPA Programs provided for this and the balance of the items to make an all encompassing rate as it pertains to Rutgers. The fringe benefit cost covered are as follows:

- Pensions
- Health Benefits (incl., Prescription Drug, Dental Care Program, and Vision Care)
- Unemployment Insurance
- Temporary Disability Insurance
- Unused Sick Leave
- Social Security Taxes (FICA)
- Workmen's Compensation
- Tuition Remission
- Early Retirement Incentive

4. Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit.

INSTITUTION:
Rutgers University

AGREEMENT DATE: August 25, 2009

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its facilities and administrative cost pools as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been created as facilities and administrative costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from facilities and administrative to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-21 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing facilities and administrative costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of facilities and administrative costs allocable to these programs.

BY THE INSTITUTION:

Rutgers University

(INSTITUTION)

(SIGNATURE)

Stephen L. DiPaolo

(NAME)

University Controller

(TITLE)

(DATE)

8/27/09

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Robert I. Aaronson

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION

(TITLE)

August 25, 2009

(DATE) 0111

HHS REPRESENTATIVE: Jeffrey Warren

Telephone: (212) 264-2069