DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

1301 Young Street, Room 732
Dallas, TX 75202
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February 10, 2018

Kathryn Funk-Baxter
Vice President for Business Affairs
University of Texas at San Antonio
One UTSA Circle
San Antonio, TX 78249-0607

Dear Ms. Funk-Baxter:

A copy of an indirect cost rate agreement is being sent to you for signature. This provisional agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indirect costs on grants and contracts with the Federal Government.

Please have the agreement signed by an authorized representative of your organization and return to me by email, retaining the copy for your files. Our email address is CAS-Dallas@psc.hhs.gov. We will reproduce and distribute the agreement to the appropriate awarding organizations of the Federal Government for their use.

The Office of Management and Budget (OMB) has requested that we reach an agreement with each institution on components for the published F&A cost rates. The attached form(s) are provided for that purpose. Please sign the form(s) and return them with an agreement.

An indirect cost proposal, together with the supporting information, is required to substantiate your claim for indirect cost under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending 08/31/2020 is due in our office by 02/28/2021. Please submit your next proposal electronically via email to CAS-Dallas@psc.hhs.gov.

Sincerely,

(b) (6)

Arif Karim
Director
Cost Allocation Services

Enclosure

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY EMAIL

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1741717115A1

ORGANIZATION:
University of Texas at San Antonio
One UTSA Circle
San Antonio, TX 78249-0607

DATE: 02/10/2018

FILING REF.: The preceding agreement was dated 04/09/2015

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 FROM	TO	RATE(%)	LOCATION	APPLICABLE TO
PRED.	09/01/2017	08/31/2018	(b) (4) [redacted]	On Campus	Organized Research
PRED.	09/01/2018	08/31/2019	[redacted]	On Campus	Organized Research
PRED.	09/01/2019	08/31/2020	[redacted]	On Campus	Organized Research
PRED.	09/01/2020	08/31/2021	[redacted]	On Campus	Organized Research
PRED.	09/01/2017	08/31/2021	[redacted]	On Campus	Instruction
PRED.	09/01/2017	08/31/2021	[redacted]	On Campus	Other Sponsored Activities
PRED.	09/01/2017	08/31/2021	[redacted]	Off Campus	All Programs
PROV.	09/01/2021	Until Amended			Use same rates and conditions as those cited for fiscal year ending August 31, 2021.

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*BASE

Modified total direct costs, consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits 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 are not made for the cost of these paid absences.

OFF-CAMPUS DEFINITION: For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s), the off-campus rate will apply. Actual costs will be apportioned between on-campus and off-campus components. Each portion will bear the appropriate rate.

FRINGE BENEFITS:
FICA
Retirement/Pension
Worker's Compensation
Life Insurance
Unemployment Insurance
Health Insurance
Accrued Leave at Termination

The next indirect cost rate proposal, based on actual cost for the fiscal year ending 08/31/20, is due in our office on 02/28/21.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000.

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 treated 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 Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200), and should be applied to grants, contracts and other agreements covered by 2 CFR 200, 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:

University of Texas at San Antonio

(INSTITUTION)

(b) (6) [redacted]

(NAME)

Kathryn Funk-Baxter

Vice President for Business Affairs

(TITLE)

3/2/18

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(b) (6) [redacted]

(SIGNATURE)

Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

2/10/2018

(DATE) 7167

HHS REPRESENTATIVE: Theodore Foster

Telephone: (214) 767-3261