



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

January 21, 2009

26 Federal Plaza-Room 41-122
New York, New York 10278
PHONE: (212)-264-2069
FAX: (212)-264-5478

Mr. Douglas W. Wylie, CPA
University Controller
University of Rochester
1325 Mount Hope Avenue, Towne House, Suite 260
Rochester, New York 14620.

Dear Mr. Wylie:

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 agreement, the following was agreed to:

- The following amounts represent the carry-forward under/(over) recoveries of fringe benefits by employee group for the fiscal year ended June 30, 2008:

F.T. Faculty, Sr. Admin.	\$3,105,279
Prof. Admin. Supervisory, Sec.	\$1,135,790
Visiting Faculty and TAR	\$ (134,844)
Post Doctoral, Interns & Residents, Instr. and Fellows	\$ 41,166
Union-1199 Bargaining Unit	(\$1,951,220)
Summer Compensation	\$ (61,717)

The above amounts will be considered in computing the actual fringe benefit rates for the fiscal year ending June 30, 2010.

- A fringe benefit proposal based on actual costs for fiscal year ending June 30, 2009 must be submitted to our office by December 31, 2009.

Mr. Douglas W. Wylie

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January 21, 2009

3. Attached are 6 documents entitled "Components of Published Facilities and Administrative Cost Rate (F&A)". There is one document issued for each F&A rate published on the rate agreement. These documents should be signed and returned to this office along with the signed original copy of the rate agreement.

A proposal encompassing all activities of your institution together with the required supporting information must be submitted to my office at the address shown below for each fiscal year your institution claims costs under grants and contracts awarded by the Federal Government. This proposal is due within six months after the close of your fiscal year. Therefore, a proposal for fiscal year ending June 30, 2011 will be due in my office not later than December 31, 2011. 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, 2011, 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

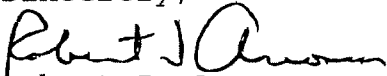
Mr. Douglas W. Wylie

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January 21, 2009


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
Director, Division of
Cost Allocation

Enclosures

Concurrence:

DOUGLAS W. WYLIE 
Name

UNIVERSITY CONTROLLER
Title

JANUARY 22, 2009
Date

ORIGINAL

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 1160743209A1

DATE: January 21, 2009

INSTITUTION:
 University of Rochester
 1325 Mt. Hope Avenue, Towne House
 Suite 260
 Rochester NY 14620-

FILING REF.: The preceding Agreement was dated May 7, 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	07/01/06	06/30/08	54.0	On-Campus	Research
PRED.	07/01/08	06/30/10	54.0	On-Campus	Research
PRED.	07/01/10	06/30/11	53.0	On-Campus	Research
PRED.	07/01/11	06/30/12	54.5	On-Campus	Research
FINAL	07/01/06	06/30/08	26.6	Off-Campus	Research
PRED.	07/01/08	06/30/12	26.6	Off-Campus	Research
PRED.	07/01/08	06/30/12	33.5	On-Campus	Oth. Spons. Act.
PRED.	07/01/08	06/30/12	24.8	Off-Campus	Oth. Spons. Act.
PROV.	07/01/12	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2012.		

*BASE:

Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, student tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000.

INSTITUTION:
University of Rochester

AGREEMENT DATE: January 21, 2009

SECTION I: FRINGE BENEFITS RATES**

RATE TYPES: FIXED		FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)	
TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
FIXED	07/01/08	06/30/09	27.7	All A, B	F/T Fac. Senior Adm
FIXED	07/01/08	06/30/09	31.8	All B	Prof Adm & Sup&Secr
FIXED	07/01/08	06/30/09	9.7	All	Visit Fac & TAR
FIXED	07/01/08	06/30/09	24.0	All	PD, Int&Res, Instr&Fel
FIXED	07/01/08	06/30/09	52.3	All B	Union-1199 Barg Unit
FIXED	07/01/08	06/30/09	13.3	All	Summer Compensation
FIXED	07/01/09	06/30/10	27.7	All A, B	F/T Fac. Senior Adm
FIXED	07/01/09	06/30/10	31.8	All B	Prof Adm & Sup&Secr
FIXED	07/01/09	06/30/10	9.5	All	Visit Fac & TAR
FIXED	07/01/09	06/30/10	23.9	All	PD, Int&Res, Instr&Fel
FIXED	07/01/09	06/30/10	47.8	All B	Union-1199 Barg Unit
FIXED	07/01/09	06/30/10	11.9	All	Summer Compensation
PROV.	07/01/10	UNTIL AMENDED	26.8	All A, B	F/T Fac. Senior Adm
PROV.	07/01/10	UNTIL AMENDED	31.6	All B	Prof Adm & Sup&Secr
PROV.	07/01/10	UNTIL AMENDED	10.1	All	Visit Fac & TAR
PROV.	07/01/10	UNTIL AMENDED	23.8	All	PD, Int&Res, Instr&Fel
PROV.	07/01/10	UNTIL AMENDED	52.8	All B	Union-1199 Barg Unit
PROV.	07/01/10	UNTIL AMENDED	12.7	All	Summer Compensation

- (A) See Special Remarks - 4, 5
- (B) See Special Remarks - 6

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

INSTITUTION;
University of Rochester

AGREEMENT DATE: January 21, 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. The rates in this Agreement have been negotiated to reflect the administrative cap provisions of the revisions to OMB Circular A-21 published by the Office of Management and Budget on May 8, 1996. No rate affecting the institution's fiscal period beginning on or after October 1, 1991 contains total administrative cost components in excess of that 26 percent cap.
2. Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year, and an acquisition cost of \$1,000 or more per unit.
3. The Off-Site rate applies when the preponderance of the effort occurs Off-Campus for a continuous period of more than thirty (30) days.
4. Institution has a decreasing rate structure for salaries above \$102,000 on file in their office which is not published as part of this agreement. The approved rate structure list can be accessed at: <http://www.rochester.edu/ORPA/PropInfo/fy09bene.htm>
5. The fringe benefit costs listed below are reimbursed to the grantee through the direct fringe benefit rate: Pension/Annuities, Health and Dental Insurance, Disability Insurance, Tuition Aid/Reimbursement (see Item 6), Travel Insurance, Social Security Taxes (FICA), Separation/Vacation Pay, Workers Compensation, Other Compensation, Faculty Early Retirement, Employees Assistance Program, Retirees Health/Dental Coverage, Staff Benefits Admin, Life Insurance, Family Care Program, NUHHC Union Benefits, Extended Sick Pay, Occupational Health, Env. Health and Safety, and Leave of Absence.
6. Effective 7/1/99, Tuition Support for dependents of University of Rochester employees is no longer an allowable fringe benefit expense and is not included in the approved rates.

INSTITUTION;
University of Rochester

AGREEMENT DATE: January 21, 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 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 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:
University of Rochester

ON BEHALF OF THE FEDERAL GOVERNMENT:

(INSTITUTION)

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

(SIGNATURE)

Douglas W. Wylie

Robert I. Aaronson

(NAME)

(NAME)

UNIVERSITY CONTROLLER

DIRECTOR, DIVISION OF COST ALLOCATION

(TITLE)

(TITLE)

JANUARY 22, 2009

January 21, 2009

(DATE)

(DATE) 0943

HHS REPRESENTATIVE: Michael Leonard


Telephone: (212) 264-2069

Components of Published Facilities and Administrative Cost Rate

Institution: University of Rochester
FY Covered by Rate: Fiscal Years Ending 6/30/07 to 6/30/08
Final Rates

<u>Rate Component</u>	<u>FY 07-08</u>
1. a. Depreciation - Bldgs & Improvements	<u>4.90%</u>
b. Depreciation - Equipment	<u>2.95%</u>
2. Interest	<u>3.41%</u>
3. Operation & Maintenance	<u>14.80%</u>
4. General Administration	<u>0.00% *</u>
5. Departmental Administration	<u>24.00% *</u>
6. Sponsored Projects Administration	<u>0.00% *</u>
7. Library	<u>2.64%</u>
8. Utility Allowance	<u>1.30%</u>
Published On-Campus Rate - <u>Research</u>	<u>54.0%</u>

* Reflects provisions of revised OMB Circular A-21, Sections G.8.a and G.10. dated May 8, 1996.

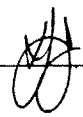
Name : DOUGLAS W. WYLIE 
Title: UNIVERSITY CONTROLLER
Date: JANUARY 22, 2009

Components of Published Facilities and Administrative Cost Rate

Institution: University of Rochester
FY Covered by Rate: Fiscal Years Ending 6/30/09 to 6/30/12
Predetermined Rates

<u>Rate Component</u>	<u>FY 09-10</u>	<u>FY 11</u>	<u>FY 12</u>
1. a. Depreciation - Bldgs & Improvements	<u>4.90%</u>	<u>4.40%</u>	<u>4.95%</u>
b. Depreciation - Equipment	<u>2.95%</u>	<u>2.95%</u>	<u>2.95%</u>
2. Interest	<u>3.41%</u>	<u>3.41%</u>	<u>3.77%</u>
3. Operation & Maintenance	<u>14.80%</u>	<u>14.30%</u>	<u>14.89%</u>
4. General Administration	<u>0.00%</u>	<u>0.00%</u>	<u>0.00% *</u>
5. Departmental Administration	<u>24.00%</u>	<u>24.00%</u>	<u>24.00% *</u>
6. Sponsored Projects Administration	<u>0.00%</u>	<u>0.00%</u>	<u>0.00% *</u>
7. Library	<u>2.64%</u>	<u>2.64%</u>	<u>2.64%</u>
8. Utility Allowance	<u>1.30%</u>	<u>1.30%</u>	<u>1.30%</u>
Published On-Campus Rate - <u>Research</u>	<u>54.0%</u>	<u>53.0%</u>	<u>54.5%</u>

* Reflects provisions of revised OMB Circular A-21, Sections G.8.a and G.10, dated May 8, 1996.


Name : DOUGLAS W. WYLIE 
 Title: UNIVERSITY CONTROLLER
 Date: JANUARY 22, 2009

Components of Published Facilities and Administrative Cost Rate

Institution: University of Rochester
FY Covered by Rate: Fiscal Years Ending 6/30/07 to 6/30/08
Final Rates

<u>Rate Component</u>	<u>FY 07-08</u>
1. a. Depreciation - Bldgs & Improvements	<u>0.00%</u>
b. Depreciation - Equipment	<u>0.00%</u>
2. Interest	<u>0.00%</u>
3. Operation & Maintenance	<u>0.00%</u>
4. General Administration	<u>0.00%</u> *
5. Departmental Administration	<u>24.00%</u> *
6. Sponsored Projects Administration	<u>0.00%</u> *
7. Library	<u>2.64%</u>
8. Other	<u>0.00%</u>
Published Off-Campus Rate - <u>Research</u>	<u>26.6%</u>

* Reflects provisions of revised OMB Circular A-21, Sections G.8.a and G.10. dated May 8, 1996.

Name : DOUGLAS W. WYLIE 

Title: UNIVERSITY CONTROLLER

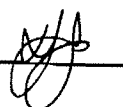
Date: JANUARY 22, 2009

Components of Published Facilities and Administrative Cost Rate

Institution: University of Rochester
FY Covered by Rate: Fiscal Years Ending 6/30/09 to 6/30/12
Predetermined Rates

<u>Rate Component</u>	<u>FY 09-12</u>
1. a. Depreciation - Bldgs & Improvements	0.00%
b. Depreciation - Equipment	0.00%
2. Interest	0.00%
3. Operation & Maintenance	0.00%
4. General Administration	0.00% *
5. Departmental Administration	24.00% *
6. Sponsored Projects Administration	0.00% *
7. Library	2.64%
8. Other	0.00%
Published Off-Campus Rate - <u>Research</u>	<u>26.6%</u>

* Reflects provisions of revised OMB Circular A-21, Sections G.8.a and G.10. dated May 8, 1996.

Name : DOUGLAS W. WYLIE 

Title: UNIVERSITY CONTROLLER


Date: JANUARY 22, 2009

Components of Published Facilities and Administrative Cost Rate

Institution: University of Rochester
FY Covered by Rate: Fiscal Years Ending 6/30/09 to 6/30/12
Predetermined Rates

<u>Rate Component</u>	<u>FY 09-12</u>
1. a. Depreciation - Bldgs & Improvements	<u>1.64%</u>
b. Depreciation - Equipment	<u>0.99%</u>
2. Interest	<u>0.62%</u>
3. Operation & Maintenance	<u>5.44%</u>
4. General Administration	<u>0.00% *</u>
5. Departmental Administration	<u>24.00% *</u>
6. Sponsored Projects Administration	<u>0.00% *</u>
7. Library	<u>0.78%</u>
8. Other	<u>0.00%</u>
Publish.On-Campus Rate - <u>Oth. Spons. Act.</u>	<u>33.5%</u>

* Reflects provisions of revised OMB Circular A-21, Sections G.8.a and G.10. dated May 8, 1996.

Name : DOUGLAS W. WYLIE 

Title: UNIVERSITY CONTROLLER


Date: JANUARY 22, 2009

Components of Published Facilities and Administrative Cost Rate

Institution: University of Rochester
FY Covered by Rate: Fiscal Years Ending 6/30/09 to 6/30/12
Predetermined Rates

<u>Rate Component</u>	<u>FY 09-12</u>
1. a. Depreciation - Bldgs & Improvements	0.00%
b. Depreciation - Equipment	0.00%
2. Interest	0.00%
3. Operation & Maintenance	0.00%
4. General Administration	0.00% *
5. Departmental Administration	24.00% *
6. Sponsored Projects Administration	0.00% *
7. Library	0.78%
8. Other	0.00%
Published Off-Campus Rate - <u>Oth. Spons. Act.</u>	<u>24.8%</u>

* Reflects provisions of revised OMB Circular A-21, Sections G.8.a and G.10. dated May 8, 1996.

Name : DOUGLAS W. WYLIE 

Title: UNIVERSITY CONTROLLER

Date: JANUARY 22, 2009