



DEPARTMENT OF HEALTH & HUMAN SERVICES

Division of Cost Allocation
Central States Office

1200 Main Tower, Room 1130, ORD-3
Dallas, TX 75202
(214) 767-3261
(214) 767-3264 FAX

July 14, 1995

Mr. Jerry J. Baudin
Vice-Chancellor for Business Affairs
Louisiana State University
330 Thomas Boyd Hall
Baton Rouge, LA 70803-2701

Dear Mr. Baudin:

The original and one copy of an indirect cost Rate Agreement are enclosed. This 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.

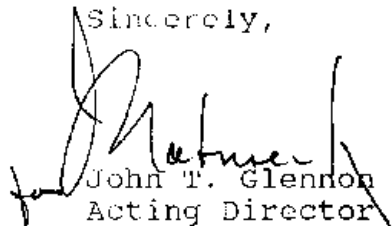
Please have the original signed by an authorized representative of your organization and return it to me, retaining the copy for your files. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

In addition, we are enclosing the component breakdown of the indirect cost rate(s) as agreed to by both parties. Please sign this form and return it with the signed Indirect Cost Rate Agreement.

An indirect cost proposal, together with supporting information, is required each year to substantiate claims made for indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending June 30, 1998 is due in our office by December 31, 1998.

Thank you for your cooperation.

Sincerely,



John T. Glennon
Acting Director
Division of Cost Allocation

Office of the Vice Chancellor
for Business Affairs
and Comptroller

RECEIVED

Enclosures

PLEASE SIGN AND RETURN THE ORIGINAL OF THE RATE AGREEMENT

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 1726000848A1

DATE: July 14, 1995

INSTITUTION:
Louisiana State University
330 Thomas Boyd Hall
Baton Rouge

LA 70803-2701

FILING REF.: The preceding Agreement was dated May 19, 1994

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: INDIRECT COST RATES*

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)					
TYPE	EFFECTIVE PERIOD		RATE(%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRED.	07/01/95	06/30/99	47.0	On Campus	Research
PRED.	07/01/95	06/30/99	26.0	Off Campus	Research
PRED.	07/01/95	06/30/99	30.5	Wetland Res.	Research
PRED.	07/01/95	06/30/99	47.0	On Campus	Inst & Training
PRED.	07/01/95	06/30/99	47.0	On Campus	Other Spons Programs
PRED.	07/01/95	06/30/99	40.0	On Campus	Ag. Center-Research
PRED.	07/01/95	06/30/99	26.0	Off Campus	Ag. Center-Research
PROV.	07/01/99	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 1999.		

***BASE:**

Total direct costs excluding capital expenditures (building, individual items of equipment; alterations and renovations), and that portion of each subaward in excess of \$ 25,000.

INSTITUTION:
Louisiana State University

AGREEMENT DATE: July 14, 1995

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are charged using a rate(s). Over/under recoveries from actual costs are adjusted in current or future periods. The directly claimed fringe benefits are listed in the Special Remarks section of this Agreement.

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.

OFF-CAMPUS DEFINITION: For all activities performed in facilities not owned by the institution and/or to which rent is directly allocated to the project(s) the off-campus rate will apply. Grants or contracts will not be subject to more than one indirect cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

Directly claimed fringe benefits are as follows:

MAIN CAMPUS:

Group Medical & Life Insurance
Medicare Contribution
La. State Retirement System
TIAA-CREF Matching Retirement
Teachers' Retirement System
Unemployment Copensation
Workers' Compensation
Employee Safety Equipment
Termination Pay
Sabbatical Leave
Optional Retirement Plan
Employee Tuition Exemption
Program

AGRICULTURE CENTERS:

Medical & Life Insurance
Medicare Contribution
Unemployment Compensation
Workers' Compensation
Termination Pay
Sabbatical Leave
Non-Federal Employees:
La. State Retirement Sys.
TIAA-CREF Matching Ret.
Teachers' Retirement
Optional Retirement Plan
Federal Employees:
Fed Civil Service Ret.

ORGANIZATION:
Louisiana State University

AGREEMENT DATE: July 14, 1995

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 indirect cost pool 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 indirect 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 indirect 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, 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 indirect 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 indirect costs allocable to these programs.

BY THE INSTITUTION:
Louisiana State University

(INSTITUTION)

(SIGNATURE)

Jerry J. Boudin

(NAME)

VICE CHANCELLOR FOR
BUSINESS AFFAIRS

(TITLE)

(DATE)

BY THE COGNIZANT AGENCY
ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

John T. Glennon

(NAME)

ACTING DIRECTOR, DIVISION OF COST ALLOCATION

(TITLE)

July 14, 1995

(DATE) 0022

BHS REPRESENTATIVE: Jay Latuseck

Telephone: (214) 767-3261 x402

COMPONENTS OF PUBLISHED INDIRECT COST RATES

Louisiana State University

Research

Fiscal Years 7/1/95 - 6/30/99

COMPONENTS

Facilities

	<u>LSU/A&M College</u>	<u>Wetlands Resources Units/CCEER</u>	<u>Agric. Center</u>
Building Use Allowance/ Capital Improvements	2.40%	0.80%	2.20%
Equipment Use Allowance	4.10%	3.50%	2.10%
Operations and Maintenance	12.50%	4.60%	8.30%
Library	2.00%	1.30%	1.40%
Interest	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Facilities	<u>21.00%</u>	<u>10.20%</u>	<u>14.00%</u>

Administration

General Administration	4.90%	4.80%	4.90%
Departmental Administration	18.60%	13.00%	18.60%
Sponsored Projects Administration	2.50%	2.50%	2.50%
Student Services Administration	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Total Administration (26% Cap)	<u>26.00%</u>	<u>20.30%</u>	<u>26.00%</u>

Negotiated Rate - (Percent)	<u>47.00%</u>	<u>30.50%</u>	<u>40.00%</u>
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BY THE INSTITUTION:

Jerry J. Boudin

Name Jerry J. Boudin

VICE CHANCELLOR FOR
BUSINESS AFFAIRS

Date _____

COLLEGE AND UNIVERSITIES

Requirements for adjustments to indirect costs claimed under Federal grants and contracts resulting from this negotiation are dependent upon the type of rate(s) contained in the Negotiation Agreement:

- a. If indirect costs were previously claimed based on the use of a "provisional" rate and a "final" rate is contained in the Agreement, adjustments to the claims to reflect the establishment of the final rate are required. For Department of Health, Education, and Welfare grants, these adjustments must be made in accordance with the procedures described in Chapter 6-150 of the Department's Grants Administration Manual. Adjustments under Department of Health, Education, and Welfare contracts must be in accordance with the provisions of the contracts. Adjustments under grants and contracts awarded by other Federal agencies must be made in accordance with the policies of those agencies.
- b. If a "fixed" rate has been established, all adjustments for the period covered by the fixed rate will be made in a subsequent rate negotiation in accordance with the provisions of the Negotiation Agreement.
- c. If a "predetermined" rate has been established, no adjustments for the period covered by the predetermined rate will be necessary.

An indirect cost proposal together with required supporting information must be submitted to this Office for each fiscal year in which your institution claims indirect costs under grants and contracts awarded by the Federal Government. The proposal is due within six months after the close of your institution's fiscal year. Thus, a proposal for your fiscal year ending 6/30/98 will be due no later than 12/31/98. Failure to submit a timely proposal will be interpreted as a forfeiture of reimbursement for indirect costs. Therefore, unless a proposal is received by 12/31/98 awards made by the Department of Health, Education, and Welfare subsequent to that date will be for direct costs only and will not provide for the recovery of indirect costs. In addition, indirect costs claimed against awards already made may be subject to disallowance. Detailed information concerning the preparation of a proposal can be found in the brochure entitled "A Guide for Colleges and Universities", OASC-1 (Revised).

In order to effect a timely negotiation, it is requested that the following information be submitted with your next proposal:

1. Name and Title of the individual authorized to negotiate for your institution.
2. Telephone number of individual noted in 1. above.
3. A copy of your audited financial statements for the period under negotiation, cross-referenced and reconciled to your proposal.
4. Appropriate schedules, including expense type breakdown, for all funds which are not included or sufficiently detailed in the audited statements or do not appear in your operating statement.
5. The total amount of direct costs incurred by your institution under all Federal grants and contracts during the fiscal year covered by your proposal. Do not include construction grants, fellowships or student loans.
6. Salary and Wage Information
 - a. A listing of total salaries and wages by Departmental classification (i.e., Physics, English, Mathematics, etc.)
 - b. A listing of salaries, wages and related allowable expenses of deans and department heads by department as noted in 6.a. above.
 - c. The total direct salaries and wages incurred under all Federal grants and contracts included in the base for rate calculation purposes (By separate bases if more than one rate is being proposed).
 - d. The total direct salaries and wages incurred under Federal grants and contracts included in 6.c. above where the reimbursement of indirect costs is limited by statutory or administrative provisions.
 - e. If the proposal is being prepared on the "Short Form" basis, please attach a list of the total indirect salaries and wages by function (i.e., administration, instruction, other institutional activities, etc.)
7. The number of full-time equivalent faculty (including student instructors) employed by or conducting classes at your institution.
8. The number of full-time equivalent students attending your institution.

9. If an off-site rate(s) is being proposed, the following information should also be submitted:
 - a. A reasonably precise, comprehensive statement of the circumstances under which activities are considered off-site, where possible in terms of: (1) ownership of the facilities in which the activities are conducted; or (2) distance of the activities from the institutions principle place(s) of business; or (3) from geographic location of the activities; or (4) a combination of (1), (2), and (3) above.
 - b. The treatment accorded projects partially performed off-site.
 - c. A listing of specific off-site facilities or locations where the number of such facilities or locations does not exceed ten.
10. The following fringe benefit information must be submitted with your annual indirect cost proposals:
 - a. A listing of the fringe benefits paid by your organization and the approximate annual cost of each benefit.
 - b. A copy of your current fringe benefit policies. After the initial submission of these policies, only changes to the policies must be submitted in subsequent years.
 - c. The method used for budgeting and charging the cost of each benefit to Federal awards.
 - d. Anticipated changes to your fringe benefit policies or budgeting/charging method(s).
11. If your organization uses a fringe benefit rate for both budgeting and charging purposes, you must also submit a fringe benefit rate proposal. The initial proposal must cover your organization's most recently completed fiscal year, the fiscal year currently in effect at the time the proposal is submitted, and the next succeeding fiscal year. Subsequent proposals should cover only the fiscal year immediately following the year covered by the last negotiation. The rate computations should normally be based on the actual costs of your organization's most recently completed year and should be cross-referenced and reconciled to your audited financial statements for that year. However, if you are aware of factors which are expected to substantially change the rate in a subsequent year, the rate computation should be based on projected costs of that year.

6. If your organization uses a fringe benefit rate for budgeting purposes only, you must submit a computation of the rate.

Your proposal and relevant correspondence should be addressed to:

Director
Division of Cost Allocation
Department of Health & Human Services
1200 Main Tower Building, Room 1130
Dallas, TX 75202