



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Services
Division of Cost Allocation

26 Federal Plaza, Room 41-122
New York, New York 10278
Phone: (212) 264-2069
Fax: (212) 264-5478
Email: dcany@psc.gov

February 2, 2012

Mr. Charles Eaton
Controller
University of Connecticut
343 Mansfield Road, Unit 2074
Storrs, CT 06269-2112

Dear Mr. Eaton:

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, the following was agreed to:

1. The carry-forward under-recovery of \$424,190 resulting from the settlement of your actual Professional employees fringe benefit rate for fiscal year ended June 30, 2011 will be taken into consideration in computing the actual Professional employees fringe benefit rate for your fiscal year ending June 30, 2013.
2. The carry-forward under-recovery of \$76,511 resulting from the settlement of your actual Temporary Faculty employee fringe benefit rate for fiscal year ended June 30, 2011 will be taken into consideration in computing the actual Temporary Faculty employee fringe benefit rate for your fiscal year ending June 30, 2013.
3. The carry-forward over-recovery of (\$1,567) resulting from the settlement of your actual Temporary Graduate employee fringe benefit rate for fiscal year ended June 30, 2011 will be taken into consideration in computing the actual Temporary Graduate employee fringe benefit rate for your fiscal year ending June 30, 2013.

4. The carry-forward under-recovery of \$24,194 resulting from the settlement of your actual Student Labor employee fringe benefit rate for fiscal year ended June 30, 2011 will be taken into consideration in computing the actual Student Labor employee fringe benefit rate for your fiscal year ending June 30, 2013.
5. The carry-forward under-recovery of \$288,783 resulting from the settlement of your actual Graduate Assistant employee fringe benefit rate for fiscal year ended June 30, 2011 will be taken into consideration in computing the actual Graduate Assistant employee fringe benefit rate for your fiscal year ending June 30, 2013.
6. The carry-forward under-recovery of \$145,678 resulting from the settlement of your actual Faculty employee fringe benefit rate for fiscal year ended June 30, 2011 will be taken into consideration in computing the actual Faculty employee fringe benefit rate for your fiscal year ending June 30, 2013.
7. Your fringe benefit proposal for your fiscal year ending June 30, 2012 will be due by December 31, 2012.

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 3 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, 2014 will be due in my office not later than December 31, 2014. 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, 2014, 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. Charles Eaton

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February 2, 2012

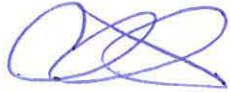
In addition, please acknowledge your concurrence with the comments and conditions cited above by signing this letter in the space provided below and FAX (212-264-5478) it to me with the enclosed negotiation agreement.

Sincerely,


Robert I. Aaronson
Director, Division of
Cost Allocation

Enclosures

Concurrence:



Name

Charles Eaton

Title

Controller

Date

2-14-12

ORIGINAL

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 060772160

DATE: 02/03/2012

ORGANIZATION:

University of Connecticut
343 Mansfield Road, Unit 2074
Storrs, CT 06269-2112

FILING REF.: The preceding
agreement was dated
04/28/2011

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)

EFFECTIVE PERIOD

| <u>TYPE</u> | <u>FROM</u> | <u>TO</u> | <u>RATE(%)</u> | <u>LOCATION</u> | <u>APPLICABLE TO</u> |
|-------------|-------------|------------|----------------|-----------------|-------------------------|
| PRED. | 07/01/2011 | 06/30/2013 | 57.00 | On-Campus | Research |
| PRED. | 07/01/2013 | 06/30/2015 | 58.00 | On-Campus | Research |
| PRED. | 07/01/2011 | 06/30/2015 | 26.00 | Off-Campus | Research |
| PRED. | 07/01/2011 | 06/30/2015 | 63.00 | On-Campus | Instruction |
| PRED. | 07/01/2011 | 06/30/2015 | 26.00 | Off-Campus | Instruction |
| PRED. | 07/01/2011 | 06/30/2015 | 29.20 | On-Campus | Other Sponsored Prog |
| PRED. | 07/01/2011 | 06/30/2015 | 26.00 | Off-Campus | Other Sponsored Prog |

| <u>TYPE</u> | <u>FROM</u> | <u>TO</u> | <u>RATE (%)</u> | <u>LOCATION</u> | <u>APPLICABLE TO</u> |
|-------------|-------------|------------------|-----------------|-----------------|--|
| PROV. | 07/01/2015 | Until Amended | | | Use the same rates and conditions as those cited for fiscal year ending June 30, 2015. |

*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.

ORGANIZATION: University of Connecticut

AGREEMENT DATE: 02/03/2012

SECTION I: FRINGE BENEFIT RATES**

| <u>TYPE</u> | <u>FROM</u> | <u>TO</u> | <u>RATE(%)</u> | <u>LOCATION</u> | <u>APPLICABLE TO</u> |
|-------------|-------------|------------------|----------------|-----------------|------------------------|
| FIXED | 7/1/2011 | 6/30/2012 | 47.60 | All | Professional |
| FIXED | 7/1/2011 | 6/30/2012 | 36.90 | All | Faculty |
| FIXED | 7/1/2011 | 6/30/2012 | 22.50 | All | Temporary Faculty |
| FIXED | 7/1/2011 | 6/30/2012 | 7.00 | All | Temporary Graduate |
| FIXED | 7/1/2011 | 6/30/2012 | 4.60 | All | Student Labor |
| FIXED | 7/1/2011 | 6/30/2012 | 15.50 | All | Graduate Assistants |
| FIXED | 7/1/2012 | 6/30/2013 | 51.50 | All | Professional |
| FIXED | 7/1/2012 | 6/30/2013 | 23.30 | All | Temporary Faculty |
| FIXED | 7/1/2012 | 6/30/2013 | 6.70 | All | Temporary Graduate |
| FIXED | 7/1/2012 | 6/30/2013 | 5.10 | All | Student Labor |
| FIXED | 7/1/2012 | 6/30/2013 | 19.50 | All | Graduate Assistants |
| FIXED | 7/1/2012 | 6/30/2013 | 41.90 | All | Faculty |
| PROV. | 7/1/2013 | Until amended | 47.20 | All | Professional |
| PROV. | 7/1/2013 | Until amended | 38.50 | All | Faculty |
| PROV. | 7/1/2013 | Until amended | 22.10 | All | Temporary Faculty |
| PROV. | 7/1/2013 | Until amended | 6.80 | All | Temporary Graduate |
| PROV. | 7/1/2013 | Until amended | 3.60 | All | Student Labor |
| PROV. | 7/1/2013 | Until amended | 17.60 | All | Graduate Assistants |

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

ORGANIZATION: University of Connecticut

AGREEMENT DATE: 02/03/2012

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 are not made for the cost of these paid absences.

(1) The rates in this agreement have been negotiated 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 period beginning on or after October 1, 1991 contains total administrative cost components in excess of that 26 percent cap.

(2) 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. 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.

(3) The Fringe Benefit rates include the following: Pension, Unemployment Compensation, Worker's Compensation, Health Services, Group Life Insurance, Social Security, and Medical Insurance.

(4) The following is a list of the locations to which the On-Campus indirect cost rate is applicable to:

Storrs - Main Campus
Greater Hartford Campus:
Hartford Branch
School of Law
School of Social Work
School of Insurance
Institute of Public Services

Southeastern Location:
Groton, CT
Southeastern Branch
Marine Services Institute

Waterbury Branch, Torrington Branch, Stamford Branch

(5) Effective July 1, 2010, 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.

This Rate Agreement updates Fringe Benefit Rates only.

ORGANIZATION: University of Connecticut

AGREEMENT DATE: 02/03/2012

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 Connecticut

(INSTITUTION)

(SIGNATURE)

(NAME)

(TITLE)

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Robert I. Aaronson

(NAME)

Director, Northeastern Field Office

(TITLE)

2/3/2012

(DATE) 0714

HHS REPRESENTATIVE: Jeffrey Warren

Telephone: (212) 264-2069