DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

7700 Wisconsin Avenue, Suite 2301
Bethesda, MD 20814
PHONE: (301) 492-4855
FAX: (301) 492-5081
EMAIL: CAS-Bethesda@psc.hhs.gov

February 4, 2015

Ms. Ronda Beck
Controller
University of Kentucky
301 Peterson Service Building
411 South Limestone St.
Lexington, KY 40506-0005

Dear Ms. Beck,

A copy of the indirect rate cost Rate Agreement is being E-mailed to you for your signature. This agreement reflects an understanding reach between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for F&A and fringe benefit costs on grants and contracts with the Federal Government.

In addition, both parties agree that the differences between the fixed and actual fringe benefit costs for the fiscal year ended June 30, 2014 are:

- Over-recovery of $161,793 applicable to Full-time Faculty
- Under-recovery of $99,475 applicable to Full-time Staff
- Under-recovery of $126,375 applicable to Others

These amounts are included in your fixed fringe benefit rates for the fiscal year ending June 30, 2016 which are listed in the attached Rate Agreement.

Please have the agreement signed by an authorized representative of your organization and send to CAS-Bethesda@psc.hhs.gov. We will reproduce and distribute the Rate Agreement to the appropriate awarding organizations of the Federal Government for their use.

A fringe benefit proposal, together with the required supporting information, must be submitted to this office for each fiscal year in which your organization claims fringe benefit costs under grants and contracts awarded by the Federal Government.

Therefore, your next fringe benefit rate proposal for the fiscal year ending June 30, 2015 will be due in our office by December 31, 2015. Please submit your next proposal electronically via email to CAS-Bethesda@psc.hhs.gov.

Sincerely,

Darryl W. Mayes -S

Digitally signed by Darryl W. Mayes -S
DN: c=US, o=U.S. Government, ou=HHS, ou=PSC, ou=People, 0.9.2342.19200300.100.1.1=2000131669, cn=Darryl W. Mayes -S
Date: 2015.02.12 12:52:53 -05'00'

Darryl W. Mayes
Deputy Director
Cost Allocation Services

CONCURRENCE:

University of Kentucky
(Institution)

Susan I. Krause
(Signature)

Susan I. Krause
(Name)

Treasurer
(Title)

2/25/15
(Date)

Enclosures
PLEASE SIGN AND RETURN A COPY OF THE RATE AGREEMENT

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN:

ORGANIZATION:
University of Kentucky
Office of the Treasurer
301 Peterson Service Building
Lexington, KY 40506-0005

DATE:02/04/2015

FILING REF.: The preceding agreement was dated 06/25/2014

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				
TYPE	**FROM**	**TO**	**RATE(%)**	**LOCATION**	**APPLICABLE TO**
PRED.	07/01/2012	06/30/2013	48.50	On-Campus	Organized Research (A)
PRED.	07/01/2013	06/30/2015	50.00	On-Campus	Organized Research (A)
PRED.	07/01/2015	06/30/2016	50.50	On-Campus	Organized Research (A)
PRED.	07/01/2012	06/30/2016	26.00	Off-Campus	Organized Research (A)
PRED.	07/01/2012	06/30/2013	39.00	On-Campus	Agriculture Research (B)
PRED.	07/01/2013	06/30/2016	40.00	On-Campus	Agriculture Research (B)
PRED.	07/01/2012	06/30/2013	19.20	Off-Campus	Agriculture Research (B)
PRED.	07/01/2013	06/30/2016	20.00	Off-Campus	Agriculture Research (B)
PRED.	07/01/2012	06/30/2013	45.00	On-Campus	Instruction
PRED.	07/01/2013	06/30/2016	46.00	On-Campus	Instruction
PRED.	07/01/2012	06/30/2016	26.00	Off-Campus	Instruction
PRED.	07/01/2012	06/30/2013	33.90	On-Campus	Other Sponsored Activities

TYPE	FROM	TO	RATE(%)	LOCATION	APPLICABLE TO
PRED.	07/01/2013	06/30/2016	31.50	On-Campus	Other Sponsored Activities
PRED.	07/01/2012	06/30/2016	21.60	Off-Campus	Other Sponsored Activities
PROV.	07/01/2016	Until Amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2016.

*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 Kentucky

AGREEMENT DATE: 2/4/2015

SECTION I: FRINGE BENEFIT RATES**

TYPE	FROM	TO	RATE(%)	LOCATION	APPLICABLE TO
FIXED	7/1/2015	6/30/2016	3.60	All	Faculty
FIXED	7/1/2015	6/30/2016	3.90	All	Staff
FIXED	7/1/2015	6/30/2016	1.20	All	Other
PROV.	7/1/2016	6/30/2018			Use same rates and conditions as those cited for fiscal year ending June 30, 2016.

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

(A) Rate applicable to Part-Time Students, Civil Service Employees and House Staff & Post Docs.

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The following fringe benefits are specifically identified to each employee and are charged individually as direct cost, they are; FICA, Life Insurance, Health Insurance and TIAA/CREF.

The following fringe benefits are charged via the Fringe Benefit rates listed in Section I, they are; Disability, Workers' Compensation, Employee Education, Supplemental Retirement Income, Post Retirement Benefits, Wellness, Unemployment, Terminal Vacation and Terminal Sick Leave.

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. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

Equipment means an article of nonexpendable tangible personal property having a useful life of more than one year, and an acquisition cost of $2,000 or more per unit.

This Agreement applies to the University of Kentucky and the University of Kentucky Research Foundation.

** THIS RATE AGREEMENT UPDATES FRINGE BENEFIT RATES ONLY. ALL OTHER TERMS AND CONDITIONS FOR RATE AGREEMENT DATED 12/31/2012 ARE TO REMAIN IN EFFECT. NEXT FRINGE BENEFIT RATE PROPOSAL FOR FISCAL YEAR ENDING 6/30/2015 is DUE IN OUR OFFICE BY 12/31/2015.

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, 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 Kentucky

(INSTITUTION)

(SIGNATURE)

Susan I. Kraus

(NAME)

Treasurer

(TITLE)

2/25/15

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Darryl W. Mayes -S

Digitally signed by Darryl W. Mayes -S
DN: c=US, o=U.S. Government, ou=HHS, ou=PSC, ou=People, 0.9.2342.19200300.100.1.1=2000131669, cn=Darryl W. Mayes -S
Date: 2015.02.12 12:51:19 -05'00'

(SIGNATURE)

Darryl W. Mayes

(NAME)

Deputy Director, Cost Allocation Services

(TITLE)

2/4/2015

(DATE) 0303

HHS REPRESENTATIVE: Lucy Siow

Telephone: (301) 492-4855