

**RATE AGREEMENT**  
**COLLEGES AND UNIVERSITIES**

UNIVERSITY OF ARIZONA  
SUN BUILDING, RM. 222  
TUCSON, AZ 85719

DATE: April 20, 1994  
FILING REF.: The preced-  
ing Agreement was dated:  
April 14, 1994 U20162

The rates approved in this Agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions contained in Section II.

**SECTION I: RATES**

| <u>Type</u>                        | <u>Effective Period</u> |           | <u>Rate</u>                       | <u>Locations</u> | <u>Applicable To</u> |
|------------------------------------|-------------------------|-----------|-----------------------------------|------------------|----------------------|
|                                    | <u>From</u>             | <u>To</u> |                                   |                  |                      |
| <b><u>INDIRECT COST RATES*</u></b> |                         |           |                                   |                  |                      |
| Pred.                              | 07/01/91                | 06/30/92  | 49.0%                             | On-Campus        | Research             |
| Pred.                              | 07/01/91                | 06/30/92  | 25.0%                             | Off-Campus       | Research             |
| Pred.                              | 07/01/91                | 06/30/92  | 55.6%                             | On-Campus        | Instruction          |
| Pred.                              | 07/01/91                | 06/30/92  | 34.2%                             | Off-Campus       | Instruction          |
| Pred.                              | 07/01/91                | 06/30/92  | 43.6%                             | On-Campus        | Public Service       |
| Pred.                              | 07/01/91                | 06/30/92  | 25.0%                             | Off-Campus       | Public Service       |
| Pred.                              | 07/01/92                | 06/30/95  | 51.5%                             | On-Campus        | Research             |
| Pred.                              | 07/01/92                | 06/30/95  | 25.0%                             | Off-Campus       | Research             |
| Pred.                              | 07/01/92                | 06/30/95  | 64.4%                             | On-Campus        | Instruction          |
| Pred.                              | 07/01/92                | 06/30/95  | 43.0%                             | Off-Campus       | Instruction          |
| Pred.                              | 07/01/92                | 06/30/95  | 41.3%                             | On-Campus        | Public Service       |
| Pred.                              | 07/01/92                | 06/30/95  | 24.2%                             | Off-Campus       | Public Service       |
| Prov.                              | 07/01/95                | 06/30/97  | USE RATES CITED FOR FYE 06/30/95. |                  |                      |

\*BASE: Total direct costs excluding capital expenditures (buildings, individual items of equipment, and alterations and renovations); that portion of each subaward in excess of \$25,000; hospitalization and other fees associated with patient care whether the services are obtained from an owned, related or third party hospital or other medical facility; rental/maintenance of off-site activities; student tuition remission and student support costs (e.g., student aid, stipends, dependency allowances, scholarships and fellowships.).

**TREATMENT OF PAID ABSENCES**

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are charged to Federal projects as part of the normal charge for salaries and wages. Separate charges for the cost of these absences are not made, except where vacation benefit leave is accrued and earned but unused at the termination of a project.

#### TREATMENT OF OTHER FRINGE BENEFITS

This organization uses a fringe benefit rate which is applied to salaries and wages for both budgeting and charging purposes for Federal projects. The following fringe benefits are included in the fringe benefit rate: FICA, RETIREMENT, WORKER'S COMPENSATION, UNEMPLOYMENT COMPENSATION, HEALTH, ACCIDENT, LIFE, AND DISABILITY INSURANCE (HALD), AND LIABILITY INSURANCE.

#### FRINGE BENEFIT RATES

The following fringe benefit rates will be fixed with carryforward for the period July 1, 1994 through June 30, 1995 and should be used for budgeting and claiming reimbursement of fringe benefits.

|                      |       |
|----------------------|-------|
| Faculty-Regular      | 17.4% |
| Faculty-Clinical     | 10.7% |
| Faculty-Ancillary    | 12.5% |
| Classified-Regular   | 22.5% |
| Classified-Temporary | 8.9%  |
| Student Employees    | 1.6%  |
| Federal Employees    | 27.8% |

#### SPECIAL REMARKS:

##### OFF-CAMPUS DEFINITION AND APPLICATION

The off-campus rate is applicable to those projects that are conducted in facilities not owned or operated by the University and/or where the operations and maintenance type costs are charged directly to a project. A project is considered off campus if more than 50% of the project expenditures are related to the off-campus activity and University space is not available. If a project is judged to be off-campus, it shall be considered wholly off-campus. Separate on and off-campus rates will not be used for a single project.

SECTION II: 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.

B. ACCOUNTING CHANGES: If a fixed or predetermined rate is in this Agreement, it 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-122, A-21 or HHS Hospital Cost Principles, as appropriate, and should be applied to grants, contracts and other agreements covered by the appropriate regulation, subject to any limitations in A above. The organization may provide copies of this Agreement to other Federal Agencies to give them early notification of this Agreement.

BY THE ORGANIZATION

The University of Arizona

ORGANIZATION)

Signature)

Joel D. Valdez

Name)

Sr. Vice President for Business Affairs

Title)

April 29, 1994

Date)

MP-CU-H)

BY THE COGNIZANT AGENCY

ON BEHALF OF THE FEDERAL GOVERNMENT

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(Agency)

Signature)

David S. Low

(Name)

Director, Division of Cost Allocation

(Title)

April 20, 1994

(Date)

HHS Representative Robert S. Klein

Telephone: (415) 556-1704