DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Divison of Cost Allocation

Room 732
1301 Young Street
Dallas, TX 75202
PHONE: (214) 767-3261
FAX: (214) 767-3264

February 20, 2013

Ms. Elahe N. Russell
Director
Louisiana State University
204 Thomas Boyd Hall
Baton Rouge, LA 70803-2901

Dear Ms. Russell:

A copy of a facilities and administrative cost (F&A) and fringe benefit (FB) Rate Agreement are being faxed to you for your signature. This Agreement reflects an understanding reached between your organization and a member of my staff concerning the FB rates that may be used to support your claim for these indirect costs on grants and contracts with the Federal Government.

Please have the Agreement signed by an authorized representative of your organization and fax or email to me, retaining the copy for your files. Our fax number is (214) 767-3264 and email address is Denise.Shirlee@psc.hhs.gov. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

In addition, the Fixed Fringe Benefit cost rate(s) for the fiscal year ending June 30, 2013 are based on actual costs for the fiscal year ended June 30, 2011 and FB cost rate(s) for the fiscal year ending June 30, 2014 are based on actual costs for the fiscal year ended June 30, 2012 over-recovered (-) or under-recovered (+) amounts are listed below:

			2011/2013	2012/2014
Main Campus	-	Over/Under recovery	(1,200,458)	(8,494,006)
AG Center - Federal Employees	-	Over/Under recovery	(458,339)	(122,286)
AG Center - Non Federal Employees	-	Over/Under recovery	(3,891,331)	(6,704,633)
Graduate Assistants - Tuition Remission	-	Over/Under recovery	-$0-	-$0-
Graduate Assistants	-	Over/Under recovery	-$0-	-$0-

The fixed rate(s) for fiscal year ended 2011 and 2012 is considered final.

A Fringe Benefit cost proposal, together with supporting information and the certified audit financial statement, is required each year. Thus, your next Fringe Benefit cost proposal based on actual costs for the fiscal year ending June 30, 2013 is due in our office by December 31, 2013.

Since this is an integral part of the Negotiation Agreement, please note your acceptance by signing in the space provided below.

Thank you for your cooperation.

Sincerely,

Arif Karim
Director
Division of Cost Allocation
Central States Field Office

Enclosures

ACCEPTANCE

Louisiana State University
(Institution)

Robert Kuhn
(Signature)

Robert Kuhn
(Name)

Interim Vice Chancellor for Finance and Administrative Services and CFO
(Title)

3/4/13
(Date)

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1726000848A1

ORGANIZATION:
Louisiana State University
330 Thomas Boyd Hall
Baton Rouge, LA 70803-2701

DATE:02/20/2013

FILING REF.: The preceding agreement was dated 03/19/2012

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.	07/01/2009	06/30/2013	48.00	On Campus	Organized Research (1)
PRED.	07/01/2009	06/30/2013	26.00	Off Campus	Organized Research (1)
PRED.	07/01/2009	06/30/2013	42.00	On Campus	AG Ctr All Programs
PRED.	07/01/2009	06/30/2013	26.00	Off Campus	AG Ctr All Programs
PRED.	07/01/2009	06/30/2013	49.00	On Campus	Instruction
PRED.	07/01/2009	06/30/2013	36.00	On Campus	Other Sponsored Activities
PROV.	07/01/2013	Until Amended		Use same rates and conditions as those cited for FYE 06/30/2013.	

*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.

(1) Includes all Pennington Biomedical Research Center Projects.

ORGANIZATION: Louisiana State University
AGREEMENT DATE: 2/20/2013

SECTION I: FRINGE BENEFIT RATES**

TYPE	FROM	TO	RATE(%)	LOCATION	APPLICABLE TO
FIXED	7/1/2012	6/30/2013	36.00	Main Campus	Main Campus Employees
FIXED	7/1/2012	6/30/2013	31.00	AG Center	Federal Employees
FIXED	7/1/2012	6/30/2013	39.00	AG Center	Non-Federal Employees
FIXED	7/1/2012	6/30/2013	26.00	All	Graduate Assistants - Tuition Remission
FIXED	7/1/2012	6/30/2013	3.00	All	Graduate Assistants
FIXED	7/1/2013	6/30/2014	38.00	Main Campus	Main Campus Employees
FIXED	7/1/2013	6/30/2014	32.00	AG Center	Federal Employees
FIXED	7/1/2013	6/30/2014	40.00	AG Center	Non-Federal Employees
FIXED	7/1/2013	6/30/2014	30.00	All	Graduate Assistants-Tuition Remission
FIXED	7/1/2013	6/30/2014	3.00	All	Graduate Assistants
PROV.	7/1/2014	Until amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2014.

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

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.

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 DEFINITION:
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.

FRINGE BENEFITS:

Main Campus-
Group Medical & Life Insurance
Medicare Contribution
La. State Retirement System
TIAA-CREF Matching Retirement
Teachers' Retirement System
Unemployment Compensation
Workers' Compensation
Termination Pay
Sabbatical Leave
Optional Retirement Plan
Employee Tuition Exemption Program
Social Security
LA Deferred Comp.457 Plan
LA School Employees Retirement System
Graduate Assistant Tuition Exemption Program
Graduate Assistant Health Insurance

Agriculture Centers-
Group Medical & Life Insurance
Medicare Contribution
Unemployment Compensation
Workers' Compensation
Social Security
Termination Pay
Sabbatical Leave
Graduate Assistant Tuition Exemption Program
Graduate Assistant Health Insurance

Non-Federal employees:
LA State Retirement System
TIAA-CREF Matching Retirement
Teachers' Retirement
Optional Retirement Plan

Federal Employees:
Federal Civil Service Retirement

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:

Louisiana State University

(INSTITUTION)

Robert Kuhn

(SIGNATURE)

Robert Kuhn

(NAME)

Interim Vice Chancellor for Finance and Administrative Services and CFO

(TITLE)

3/4/13

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Arif Karim

(NAME)

for Director, Division of Cost Allocation

(TITLE)

2/20/2013

(DATE) 0022

HHS REPRESENTATIVE: Denise Shirlee

Telephone: (214) 767-3261