DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

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

May 11, 2011

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 and fringe benefit Rate Agreement are enclosed. This Agreement reflects an understanding reached between your organization and a member of my staff concerning the fringe benefit rate(s) that may be used to support your claim for facilities and administrative costs on grants and contracts with the Federal Government.

Please have the agreement signed by an authorized representative of your organization and fax it to me, retaining the copy for your files. Our fax number is (214) 767-3264. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

The Fixed Fringe Benefit cost rate(s) for the fiscal year ending June 30, 2012 are based on actual costs for the fiscal year ended June 30, 2010. They included the following under-recovered (-) or over-recovered (+) amounts:

| | | | | |
|---|---|---|---|---|
| Main Campus Employees | - | Over recovery | $ | 8,759,340 |
| Federal Employees | - | Under recovery | $ | (61,545) |
| Non-Federal Employees | - | Under recovery | $ | (1,987,016) |

The fixed rate(s) for fiscal year ended June 30, 2010 is considered final.

The Fixed Fringe Benefit cost rate(s) for the fiscal year ending June 30, 2011 are based on actual costs for the fiscal year ended June 30, 2009. They included the following under-recovered (-) or over-recovered (+) amounts:

| | | | | |
|---|---|---|---|---|
| Main Campus Employees | - | Over recovery | $ | 5,203,033 |
| Federal Employees | - | Under recovery | $ | (402,656) |
| Non-Federal Employees | - | Under recovery | $ | (755,678) |

The fixed rate(s) for fiscal year ended June 30, 2009 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, 2011 is due in our office by December 31, 2011. Your next Facilities and Administrative cost rate proposal based on actual costs for the fiscal year ending June 30, 2012 is due in our office by December 31, 2012.

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

Thank you for your cooperation.

Sincerely,

Arif Karim
Director
Division of Cost Allocation
Central States Field Office

Enclosures

ACCEPTANCE

Louisiana State University
(Institution)

(Signature)

Eric N. Monday
(Name)

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

May 18, 2011
(Date)

## COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1726000848A1

DATE:05/11/2011

ORGANIZATION:

Louisiana State University (formerly Louisiana State University and A & M College)

330 Thomas Boyd Hall

Baton Rouge, LA 70803-2701

FILING REF.: The preceding agreement was dated 06/24/2010

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 | Agri Ctr All Programs |
| PRED. | 07/01/2009 | 06/30/2013 | 26.00 | Off Campus | Agr 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 |

| TYPE | FROM | TO | RATE(%) | LOCATION | APPLICABLE TO |
|---|---|---|---|---|---|
| PROV. | 07/01/2013 | Until Amended | | Use same rates and conditions as those cited for FYE ending 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 (formerly Louisiana State University and A & M College)

AGREEMENT DATE: 05/11/2011

**SECTION I: FRINGE BENEFIT RATES****

| TYPE | FROM | TO | RATE(%) | LOCATION | APPLICABLE TO |
|---|---|---|---|---|---|
| FIXED | 7/1/2010 | 6/30/2011 | 33.00 | Main Campus | Main Campus Employees |
| FIXED | 7/1/2010 | 6/30/2011 | 28.00 | AG Center | Federal Employees |
| FIXED | 7/1/2010 | 6/30/2011 | 36.00 | AG Center | Non-Federal Employees |
| FIXED | 7/1/2011 | 6/30/2012 | 34.00 | Main Campus | Main Campus Employees |
| FIXED | 7/1/2011 | 6/30/2012 | 30.00 | AG Center | Federal Employees |
| FIXED | 7/1/2011 | 6/30/2012 | 38.00 | AG Center | Non-Federal Employees |
| FINAL | 7/1/2012 | Until amended | Use same rates and conditions as those cited for FYE 06/30/2012 | | |

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

ORGANIZATION: Louisiana State University (formerly Louisiana State University and A & M College)

AGREEMENT DATE: 05/11/2011

**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

Agricultural Centers-
Medical & Life Insurance Group
Medicare Contribution
Unemployment Compensation
Workers' Compensation
Social Security
Termination Pay
Sabbatical Leave
Non-Federal Employees:
LA State Retirement Syst.
TIAA-CREF Matching Ret.
Teachers' Retirement
Optional Retirement Plan
Federal Employees:
Fed. Civil Service Ret.

ORGANIZATION: Louisiana State University (formerly Louisiana State University and A & M College)

AGREEMENT DATE: 05/11/2011

## 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:

Louisiana State University (formerly Louisiana State University and A & M College)

(INSTITUTION)

(SIGNATURE)

Eric N. Monday

(NAME)

Vice Chancellor for Finance and Administrative Services and CFO

(TITLE)

May 18, 2011

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Arif Karim

(NAME)

Director, Central States Field Office

(TITLE)

5/11/2011

(DATE) 0022

HHS REPRESENTATIVE: Denise Shirlee

Telephone: (214) 767-3261