DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

1301 Young Street, Room 732
Dallas, TX 75202
PHONE: (214) 767-3261
FAX: (214) 767-3264
EMAIL: CAS-Dallas@psc.hhs.gov

May 11, 2015

Ms. Elahe N. Russell
Director, Financial Accounting & Reporting
Louisiana State University and A&M College
Office of Financial Accounting & Reporting
204 Thomas Boyd Hall
Baton Rouge, LA 70803

Dear Ms. Russell:

The original and 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 F&A and 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 original 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 Tyra.Tallie@psc.hhs.gov. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

Requirements for adjustments to cost 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.

For the 2014/2016 carry forward, the grantee agreed to waive a total of $19,445,933 of the previously reported under-recovery for three of its labor categories (i.e. $10,870,754 for main campus employees, $5,706,867 for AG Center non-federal employees, and $2,868,312 for graduate assistant tuition remission).

In addition, the fixed fringe benefit cost rate(s) for the fiscal year ending June 30, 2015 are based on actual costs for the fiscal year ended June 30, 2013 and fixed fringe benefit cost rate(s) for the fiscal year ending June 30, 2016 based on actual costs for the fiscal year ended June 30, 2014. The over-recovered (+) or under-recovered (-) amounts (net of adjustment for waived under- recovery described above) are listed below.

			2013/2015	2014/2016
Main Campus	-	Over/(Under) recovery	($7,630,849)	($10,870,754)
AG Center – Federal Employees	-	Over/(Under) recovery	($487,702)	($72,039)
AG Center – Non Federal Employees	-	Over/(Under) recovery	($4,376,272)	($5,706,867)
Graduate Assistants – Tuition Remission	-	Over/(Under) recovery	($2,536,577)	($2,868,312)
Graduate Assistants	-	Over/(Under) recovery	$147,676	$179,927

The fixed rates for fiscal year ending 2013 and 2014 are considered final.

A fringe benefit rate proposal is required to be submitted annually. Thus, your next Fringe Benefit cost proposal based on actual costs for the fiscal year ending June 30, 2015 is due in our office by December 31, 2015. A facilities and administrative cost proposal, together with supporting information, is required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Your next F&A proposal based on actual costs for the fiscal year ending June 30, 2016 is due in our office by December 31, 2016.

Since this is an integral part of the negotiation agreement, please note your acceptance by signing in the space provided on this page of the letter and last page of the rate agreement.

Your proposal and relevant correspondence should be addressed to:

Department of Health & Human Services
Cost Allocation Services
1301 Young Street – Room 732
Dallas, TX 75202

Thank you for your cooperation.

Sincerely,

Arif M. Karim -S

Digitally signed by Arif M. Karim -S
DN: c=US, o=U.S. Government, ou=HHS, ou=PSC, ou=People, cn=Arif M. Karim -S, 0.9.2342.19200300.100.1.1=2000212895
Date: 2015.05.14 12:18:23 -05'00'

Arif Karim
Director
Cost Allocation Services

Enclosures
ACCEPTANCE:

Louisiana State University
(Institution)

Daniel T. Layzell
(Signature)

Daniel T. Layzell
(Name)

Vice President/CFO
(Title)

5/29/15
(Date)

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1726000848A1

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

DATE:05/11/2015

FILING REF.: The preceding agreement was dated 04/28/2014

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.	07/01/2013	06/30/2017	48.00	On Campus	Organized Research (1)
PRED.	07/01/2013	06/30/2017	49.00	On Campus	Instruction
PRED.	07/01/2013	06/30/2017	35.00	On Campus	Other Spon. Act.
PRED.	07/01/2013	06/30/2017	40.00	On Campus	Agri. Center
PRED.	07/01/2013	06/30/2017	26.00	Off Campus	All Programs
PROV.	07/01/2017	Until Amended		Use same rates and conditions as those cited for FYE 06/30/2017.	

*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, participant support, 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: 5/11/2015

SECTION I: FRINGE BENEFIT RATES**

TYPE	FROM	TO	RATE(%)	LOCATION	APPLICABLE TO
FIXED	7/1/2014	6/30/2015	40.00	Main Campus	Main Campus Employees
FIXED	7/1/2014	6/30/2015	33.00	AG Center	Federal Employees
FIXED	7/1/2014	6/30/2015	42.00	AG Center	Non-Federal Employees
FIXED	7/1/2014	6/30/2015	33.00	All	Graduate Assistants - Tuition Remission
FIXED	7/1/2014	6/30/2015	3.00	All	Graduate Assistants
FIXED	7/1/2015	6/30/2016	42.00	Main Campus	Main Campus Employees
FIXED	7/1/2015	6/30/2016	33.00	AG Center	Federal Employees
FIXED	7/1/2015	6/30/2016	44.00	AG Center	Non Federal Employees
FIXED	7/1/2015	6/30/2016	38.00	All	Graduate Assistants - Tuition Remission
FIXED	7/1/2015	6/30/2016	2.50	All	Graduate Assistants
PROV.	7/1/2016	Until amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2016.

** 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, Social Security
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
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

The next F&A cost proposal based on actual costs for the fiscal year ending 06/30/16 is due in our office by 12/31/16. The fringe benefit cost proposal based on actual costs for the fiscal year ending 06/30/15 is due in our office by 12/31/15.

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)

Daniel T. Layrell

(SIGNATURE)

Daniel T. Layrell

(NAME)

Vice President/CFO

(TITLE)

5/29/15

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Arif M. Karim -S Digitally signed by Arif M. Karim -S DN: c=US, o=U.S. Government, ou=HHS, ou=PSC, ou=People, cn=Arif M. Karim -S, 0.9.2342.19200300.100.1.1=2000212895 Date: 2015.05.14 12:17:29 -05'00'

(SIGNATURE)

Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

5/11/2015

(DATE) 0022

HHS REPRESENTATIVE: Tyra Tallie

Telephone: (214) 767-3261