



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

February 1, 2019

Mr. Kenneth Johnston
Associate Vice President for Finance and Controller
Illinois Institute of Technology
3424 S. State Street
Tech Central, 4th Floor
Chicago, IL 60616

Dear Mr. Johnston:

A copy of the indirect cost Rate Agreement is being sent to you for signature. This Agreement reflects an understanding reached 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.

Please have the Agreement signed by an authorized representative of your organization, email to me, retaining a copy for your files. Our email address is cas-dallas@psc.hhs.gov. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

The Office of Management and Budget (OMB) has requested that we reach an agreement with each institution on components for the published F&A cost rates. The attached form(s) are provided for that purpose. Please sign the form(s) and return them with the agreement.

In addition, both parties agree to the following over (+) / under (-) recoveries:

	<u>2018/2020</u>	<u>2017/2019</u>
Full Time Faculty:	(\$1,391,381)	(\$1,215,435)
Full Time Staff:	(\$1,166,918)	(\$1,200,119)
Part Time/Temporary Faculty and Staff:	(\$9,189)	\$22,858

These amounts are included in your fixed fringe benefit rates for the fiscal year ending 5/31/2019 and 5/31/2020 which are listed in the attached Rate Agreement. The fixed rate(s) for fiscal year ended 5/31/2017 and 5/31/2018 are 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 5/31/2019 is due in our office by 11/30/2019.

Mr. Kenneth Johnston
February 1, 2019
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An F&A cost proposal, together with supporting information, are required to substantiate your claim for F&A costs under grants and contracts awarded by the Federal Government. Your next F&A proposal based on actual costs for the fiscal year ending 05/31/2022, is due in our office by 11/30/2022.

Please submit your proposals electronically to the following email address: CAS-Dallas@psc.hhs.gov.

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 M. Karim -
S
Arif Karim
Director
Cost Allocation Services

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,
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Enclosures

ACCEPTANCE:

Illinois Institute of Technology

(Institution)

Kenneth Johnston

(Signature)

Kenneth Johnston

(Name)

Associate Vice President for Finance & Controller

(Title)

2/8/2019

(Date)

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1362170136A1

DATE:02/01/2019

ORGANIZATION:

FILING REF.: The preceding agreement was dated 03/10/2018

Illinois Institute of Technology
3424 S. State Street
Tech Central, 4th Floor
Chicago, IL 60616

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

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	06/01/2015	05/31/2019	53.00	On Campus	Organized Research
PRED.	06/01/2015	05/31/2019	24.00	Off Campus	All Programs
PRED.	06/01/2015	05/31/2019	34.00	On Campus	Instruction
PRED.	06/01/2015	05/31/2019	24.00	Moffett Ctr	Non-FDA Programs
PRED.	06/01/2015	05/31/2019	11.00	Moffett Ctr	FDA Programs
PRED.	06/01/2019	05/31/2023	54.00	On Campus	Organized Research
PRED.	06/01/2019	05/31/2023	24.00	Off Campus	All Programs
PRED.	06/01/2019	05/31/2023	34.00	On Campus	Instruction
PRED.	06/01/2019	05/31/2023	26.00	IFSH**	Non-FDA Programs
PRED.	06/01/2019	05/31/2023	11.00	IFSH**	FDA Programs
PROV.	06/01/2023	Until Amended			Use same rates and conditions as those cited for fiscal year ending May 31, 2023.

ORGANIZATION: Illinois Institute of Technology

AGREEMENT DATE: 2/1/2019

*BASE

Modified total direct costs, consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first \$25,000 of each subaward (regardless of the period of performance of the subawards under the award). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of \$25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

**The Institute for Food Safety and Health (IFSH) represents a name change from the former name of the "Moffett Center".

ORGANIZATION: Illinois Institute of Technology

AGREEMENT DATE: 2/1/2019

SECTION I: FRINGE BENEFIT RATES**

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FIXED	6/1/2018	5/31/2019	25.20	All	Full Time Faculty
FIXED	6/1/2018	5/31/2019	27.40	All	Full Time Staff
FIXED	6/1/2018	5/31/2019	7.70	All	PT/Temp. Faculty & Staff
FIXED	6/1/2019	5/31/2020	27.10	All	Full Time Faculty
FIXED	6/1/2019	5/31/2020	28.40	All	Full Time Staff
FIXED	6/1/2019	5/31/2020	7.90	All	PT/Temp. Faculty & Staff
PROV.	6/1/2020	Until amended			Use same rates and conditions as those cited for fiscal year ending May 31, 2020.

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

ORGANIZATION: Illinois Institute of Technology

AGREEMENT DATE: 2/1/2019

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.

FRINGE BENEFITS:

FICA	Health Insurance
Retirement	Tuition Remission
Disability Insurance	Unemployment Insurance
Life Insurance	Worker's Compensation

The next Fringe Benefit cost proposal, based on actual costs for the fiscal year ending May 31, 2019, is due in our office by November 30, 2019.

The next Facilities & Administrative cost rate proposal, based on actual costs for the fiscal year ending May 31, 2022, is due in our office by November 30, 2022.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.

ORGANIZATION: Illinois Institute of Technology

AGREEMENT DATE: 2/1/2019

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 Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200), and should be applied to grants, contracts and other agreements covered by 2 CFR 200, 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:

Illinois Institute of Technology

(INSTITUTION)

Kenneth Johnston

(SIGNATURE)

Kenneth Johnston

(NAME)

Associate Vice-President for Finance & Controller

(TITLE)

2/18/2019

(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, ou=U.S. Government, ou=HHS, ou=PSC,
ou=People, cn=Arif M. Karim -S,
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Date: 2019.02.07 10:06:22 -0600

(SIGNATURE)

Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

2/1/2019

(DATE) 3580

HHS REPRESENTATIVE:

Ernest Kinneer

Telephone:

(214) 767-3261

COMPONENTS OF PUBLISHED F&A COST RATE

INSTITUTION: **Illinois Institute of Technology**
FY COVERED BY RATE: **JUNE 1, 2019 through MAY 31, 2023**
APPLICABLE TO: **ORGANIZED RESEARCH**

RATE COMPONENT:	<u>ON CAMPUS</u>	<u>OFF CAMPUS</u>
Building Depreciation	3.1	
Equipment Depreciation	0.2	
Interest	2.9	
Operation & Maintenance	20.4	
Library	3.4	
Administration*	<u>24.0</u>	<u>24.0</u>
TOTAL	<u><u>54.0</u></u>	<u><u>24.0</u></u>

* Reflects provisions of Appendix III to Part 200 of Uniform Guidance—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs), C.9.a. dated December 26, 2013.

CONCURRENCE:

Illinois Institute of Technology
(Institution)

Kenneth Johnston
(Signature)

Kenneth Johnston
(Name)

Associate Vice President for Finance & Controller
(Title)

2/8/2019
(Date)