



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

26 Federal Plaza, Room 3412
New York, NY 10278
PHONE: (212) 264-2069
FAX: (212) 264-5478
EMAIL: CAS-NY@psc.hhs.gov

January 24, 2018

Ms. Barbara Chernow
Executive Vice President for Finance & Administration
Brown University
164 Angell Street, Box J
Providence, RI 02912

Dear Ms. Chernow:

A negotiation agreement is being emailed to you for signature. This agreement reflects an understanding reached between your institution and a member of my staff concerning the rates or amounts that may be used to support your claim for costs on grants and contracts with the Federal Government. The agreement must be signed by a duly authorized representative of your institution and emailed to CAS-NY@psc.hhs.gov; retain a copy for your file. We will reproduce and distribute the agreement to awarding agencies of the Federal Government for their use.

Requirements for adjustments to costs 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.

In consideration of this negotiation, the following was agreed to:

1. The following amounts represent the (over)/under-recoveries of fringe benefits by employee group for the fiscal year ended June 30, 2017:

| | |
|---------------------|-------------|
| Full-Time Employees | \$146,698 |
| Part-Time Employees | (\$131,465) |

The above amounts will be taken into consideration in computing the actual fringe benefit rate for fiscal year ending June 30, 2019.

- 2. A fringe benefit proposal based on actual costs for fiscal year ending June 30, 2018 is due by December 31, 2018.

A Facilities and Administrative proposal, together with the required supporting information, must be submitted to this office for each fiscal year in which your organization claims cost under grants and contracts awarded by the Federal Government. Therefore, your next indirect cost rate proposal for the fiscal year ending June 30, 2018 will be due in our office by December 31, 2018. In addition, please acknowledge your concurrence with the comments and conditions cited above by signing this letter in the space provided below and submit your next proposal electronically via email to CAS-NY@psc.hhs.gov.

Sincerely,

**Darryl W.
Mayes -S**

Digitally signed by Darryl W. Mayes -S
DN: ce=US, o=U.S. Government, ou=HHS,
ou=PSC, ou=People,
0.9.2342.19200300.100.1.1=2000131669,
cn=Darryl W. Mayes -S
Date: 2018.01.25 12:47:20 -05'00'

Darryl W. Mayes
Deputy Director
Division of Cost Allocation

Enclosures
Concurrence:

Name

Barbara D. Chernow

Title

Executive Vice President

Date

1-29-2018

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 05-0258809

DATE:01/24/2018

ORGANIZATION:

FILING REF.: The preceding agreement was dated 03/31/2017

Brown University
164 Angell Street, Box J
Providence, RI 02912-

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. | 07/01/2017 | 06/30/2019 | 62.50 | On-Campus | Research |
| PRED. | 07/01/2017 | 06/30/2019 | 23.00 | On-Campus | Other Sponsored Activities |
| PRED. | 07/01/2017 | 06/30/2019 | 26.00 | Off-Campus | Research |
| PROV. | 07/01/2019 | Until Amended | | | Use same rates and conditions as those cited for fiscal year ending June 30, 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.

ORGANIZATION: Brown University

AGREEMENT DATE: 1/24/2018

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 | 7/1/2017 | 6/30/2018 | 31.00 | All | Full-Time Employees |
| FIXED | 7/1/2017 | 6/30/2018 | 7.50 | All | Part-Time Employees |
| FIXED | 7/1/2018 | 6/30/2019 | 30.70 | All | Full-Time Employees |
| FIXED | 7/1/2018 | 6/30/2019 | 7.10 | All | Part-Time Employees |
| PROV. | 7/1/2019 | Until amended | 30.70 | All | Full-Time Employees |
| PROV. | 7/1/2019 | Until amended | 7.50 | All | Part-Time Employees |

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

ORGANIZATION: Brown University

AGREEMENT DATE: 1/24/2018

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.

1. The rates in this Agreement have been negotiated to reflect the administrative cap provisions to OMB Circular A-21 published by the Office of Management and Budget on May 8, 1996. No rate affecting the institution's fiscal periods beginning on or after October 1, 1991 contains total administrative cost components in excess of that 26 percent cap.

2. For all activities performed in facilities not owned by the organization and to which rent is directly allocated to the project, the off-site rate will apply. Grants or contracts will not be subject to more than one indirect cost rate. If more than 50% of the project is performed off-site, the off-site rate will apply to the entire project.

3. Fringe Benefits: Annual fringe benefit rates consisting of retirement expenses, Social Security Taxes, Tuition Remission, Education Assistance, Dental Plan, Worker's Compensation, Health Insurance, Long-Term Disability, Group Life Insurance, Unemployment Insurance, Sabbaticals, and Benefits Administration Expenses.

4. Effective 7/1/10 the Faculty and Administrative Staff / Weekly Staff fringe benefit rates have been combined.

* Effective 7/1/99 tuition support for dependents of Brown University employees will no longer be an allowable fringe benefit expense in the approved rates.

** Your next F&A proposal based on actual costs for the fiscal year ending 6/30/2018, is due in our office by 12/31/2018.

** Your next Fringe Benefit proposal based on actual costs for the fiscal year ending 6/30/2018, is due in our office by 12/31/2018.

This rate agreement updates fringe benefit rates only.

ORGANIZATION: Brown University

AGREEMENT DATE: 1/24/2018

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: Brown University

AGREEMENT DATE: 1/24/2018

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:

Brown University

(INSTITUTION)

(SIGNATURE)

Barbara D. Chernow

(NAME)

Executive Vice President

(TITLE)

1-29-2018

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Darryl W. Mayes

-S

(SIGNATURE)

Darryl W. Mayes

(NAME)

Deputy Director, Cost Allocation Services

(TITLE)

1/24/2018

(DATE) 1702

Digitally signed by Darryl W. Mayes-S
DN: c=US, o=U.S. Government, ou=HHS, ou=PSC,
ou=People,
ou=2342.19200300.100.1.1=2000131669, cn=Darryl
W. Mayes-S
Date: 2018.01.25 12:48:14 -0500

HHS REPRESENTATIVE: Michael Stanco

Telephone: (212) 264-2069