Program Support Center Financial Management Portfolio Cost Allocation Services

1301 Young Street, Suite 1140 Dallas, TX 75202 PHONE: (214) 767-3261 FAX: (214) 767-3264 EMAIL: CAS-Dallas@psc.hhs.gov

August 3, 2023

Lavonda Luckett Interim Executive Director, Financial Reporting University of Houston 5000 Gulf Freeway, Tech. Bldg. 1, Room. 231 Houston, TX 77204-0912

Dear Ms. Luckett:

A copy of the facilities and administrative (F&A) cost Rate Agreement is being sent to you for your 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 and return within ten business days of receipt. The signed agreement can be sent to me by email to <u>CAS-Dallas@psc.hhs.gov</u>, while retaining the copy for your files. Only when the signed agreement is returned, we will then 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 the components of the published F&A rates. The attached form is provided for that purpose. Please sign the form and email it back with the original Rate Agreement.

F&A cost proposal, together with the supporting information, are required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. The next F&A rate proposal based on actual costs for the fiscal year ending 08/31/2026, is due in this office by 02/28/2027.

Sincerely,

Arif M. Karim -5 Digitally signed by Arif M. Karim-5 Date: 2023.08.10 23:09:27 -05'00'

Arif Karim
Director
Division of Cost Allocation

Enclosures

PLEASE SIGN AND RETURN A COPY via email to CAS-Dallas@psc.hhs.gov

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1746001399A3 Date: 08/03/2023

ORGANIZATION: FILING REF.: The preceding

University of Houston agreement was dated

5000 Gulf Freeway 12/17/2019 Tech. Bldg. 1, Room 231

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

Houston, TX 77204-0912

RATE TY	PES: FIXED	D FINAL PROV. (PROVISIONAL)		SIONAL)	PRED. (PREDETERMINED)	
TYPE	<u>FROM</u>	<u>TO</u>	RATE(%)	LOCATION	APPLICABLE TO	
PRED.	09/01/2020	08/31/2023	55.00	On Campus	Organized Research	
PRED.	09/01/2019	08/31/2023	33.00	On Campus	Other Sponsored Activities	
PRED.	09/01/2019	08/31/2023	26.00	Off Campus	All Programs	
PRED.	09/01/2023	08/31/2024	55.00	On Campus	Organized Research	
PRED.	09/01/2024	08/31/2027	57.00	On Campus	Organized Research	
PRED.	09/01/2023	08/31/2024	35.00	On Campus	Other Sponsored Activities	
PRED.	09/01/2024	08/31/2027	37.00	On Campus	Other Sponsored Activities	
PRED.	09/01/2023	08/31/2027	26.00	Off Campus	All Programs	
PROV.	09/01/2027	Until Amended			Use same rates and conditions as those cited for fiscal year ending Aug 31, 2027	

*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.

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ORGANIZATION: University of Houston AGREEMENT DATE: 08/03/2023

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits 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: The off-campus rate will apply for all activities: a) Performed in facilities not owned by the institution and where these facility costs are not included in the F&A pools; or b) Where rent is directly allocated/charged to the project(s). 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
Retirement
Worker's Compensation
Life Insurance
Health Insurance
Unemployment Insurance
Severance Pay
Tuition Remission

A next proposal based on actual costs for the fiscal year ending 8/31/26, will be due no later than 2/28/27.

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 \$5,000.

ORGANIZATION: University of Houston AGREEMENT DATE: 08/03/2023

SECTION III: GENERAL

A. <u>LIMITATIONS:</u>

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. <u>FIXED RATES:</u>

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. <u>OTHER:</u>

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:	ON BEHALF OF THE GOVERNMENT:					
University of Houston	DEPARTMENT OF HEALTH AND HUMAN SERVICES					
(INSTITUTION)	(AGENCY) Arif M. Karim - S Digitally signed by Arif M. Karim - S Date: 2023.08.10 23:08:36 - 05'00'					
(SIGNATURE)	(SIGNATURE)					
Claudia Neuhauser	Arif Karim					
(NAME)	(NAME)					
Interim Vice Chancellor/Vice President for Research	Director, Cost Allocation Services					
(TITLE)	(TITLE)					
8/11/23	08/03/2023					
(DATE)	(DATE)					
	HHS REPRESENTATIVE: Denise Shirlee					
	TELEPHONE: (214) 767–3261					

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COMPONENTS OF PUBLISHED F&A COST RATE

INSTITUTION: University of Houston

FY COVERED BY RATE: September 1, 2023 - August 31, 2027

APPLICABLE TO: ORGANIZED RESEARCH

RATE COMPONENT:	ORGANIZED RESEARCH FY 24 ON CAMPUS	ORGANIZED RESEARCH FY 25-27 ON CAMPUS	OTHER SPONSORED ACTIVITIES FY 24 ON CAMPUS	OTHER SPONSORED ACTIVITIES FY 25-27 ON CAMPUS	ALL PROGRAMS FY 24-27 <u>OFF CAMPUS</u>
Building Depreciation	8.8	9.4	1.6	1.8	
Equipment Depreciation	7.1	7.6	0.9	1.0	
Interest	1.7	1.8	0.3	0.4	
Operation & Maintenance	10.4	11.2	6.0	7.6	
Library	0.5	0.5	0.2	0.2	
Utility Cost Adjustment	0.5	0.5			
Administration*	26.0	26.0	26.0	26.0	26.0
TOTAL	55.0	57.0	35.0	37.0	26.0

^{*} 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.8. dated December 26, 2013.

CONCURRENCE:
University of Houston
(Institution)
Old Newbouse
(Signature)
Claudia Neuhauser
(Name)
Interim Vice Chancellor/Vice President for Research
(Title)
8/11/23
(Date)