



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

August 24, 2011

Dr. Carl Carlucci
Executive Vice Chancellor, Administration & Finance
University of Houston
226 E. Cullen Building
Houston, TX 77204-2016

Dear Dr. Carlucci:

A copy of an indirect cost Rate Agreement is being faxed 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 indirect costs on grants and contracts with the Federal Government.

Please have the original 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 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.

An indirect 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. Thus, your next proposal based on actual costs for the fiscal year ending 08/31/14 is due in our office by 02/28/15.

Sincerely,

Arif Karim
Director, Central States Field Office
Division of Cost Allocation

Enclosures

PLEASE SIGN AND FAX A COPY OF THE RATE AGREEMENT

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1746001399A3

DATE: 08/24/2011

ORGANIZATION:
University of Houston
226 E. Cullen Building
Houston, TX 77204-2016

FILING REF.: The preceding
agreement was dated
08/11/2008

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.	09/01/2008	08/31/2011	50.00	On Campus	Organized Research
PRED.	09/01/2008	08/31/2011	26.00	Off Campus	All Programs
PRED.	09/01/2011	08/31/2012	49.50	On Campus	Organized Research
PRED.	09/01/2012	08/31/2013	50.00	On Campus	Organized Research
PRED.	09/01/2013	08/31/2015	50.50	On Campus	Organized Research
PRED.	09/01/2011	08/31/2015	26.00	Off Campus	All Programs

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PROV.	09/01/2015	Until Amended		"Use same rates and conditions as those cited for FYE 8/31/15."	

*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.

ORGANIZATION: University of Houston

AGREEMENT DATE: 08/24/2011

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: 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:

FICA

Retirement

Worker's Compensation

Life Insurance

Health Insurance

Unemployment Insurance

ORGANIZATION: University of Houston

AGREEMENT DATE: 08/24/2011

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 CHARGES:

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:

University of Houston

(INSTITUTION)

(SIGNATURE)

(NAME)

(TITLE)

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Arif Karim

(NAME)

Director, Central States Field Office

(TITLE)

8/24/2011

(DATE) 0144

HHS REPRESENTATIVE: Theodore Foster

Telephone: (214) 767-3261

COMPONENTS OF THE PUBLISHED FACILITIES & ADMINISTRATIVE COST RATE

INSTITUTION:

University of Houston

FY COVERED BY RATE:

FY 2012 - FY 2015

RATE TYPE:

ORGANIZED RESEARCH

RATE COMPONENTS:

	On-Camp FY 2012	On-Camp FY 2013	On-Camp FY 14 - 15	Off-Camp FY 12 - 15
Building Depreciation	1.4	1.4	1.4	
Equipment Depreciation	3.3	3.4	3.4	
Interest	0.1	0.1	0.1	
Operations & Maintenance	17.2	17.6	18.1	
Library	1.5	1.5	1.5	
Utility Cost Allowance	0.0	0.0	0.0	
Administrative Component	26.0	26.0	26.0	26.0
F&A Rate	49.5	50.0	50.5	26.0

CONCURRENCE:

University of Houston
(Institution)

(Signature)

(Name)

Dr. Carl Carlucci

(Title)

EVC/EVP Admin & Finance

(Date)

9/14/2011