



DEPARTMENT OF THE NAVY
 OFFICE OF NAVAL RESEARCH
 875 NORTH RANDOLPH STREET
 SUITE 1425
 ARLINGTON, VA 22203-1995

IN REPLY REFER TO:

Agreement Date: June 14, 2017
 Supersedes Agreement Dated: June 24, 2016

NEGOTIATION AGREEMENT

INSTITUTION: MICHIGAN TECHNOLOGICAL UNIVERSITY
 HOUGHTON, MICHIGAN

The Facilities and Administrative (F&A) rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to Michigan Technological University by all Federal Agencies of the United States of America, in accordance with the provisions and cost principles mandated by 2 CFR Part 200. These rates shall be used for forward pricing and billing purposes for the Michigan Technological University's Fiscal Years 2017 through 2020. This agreement supersedes all previous rate agreements/determinations for Fiscal Year 2017.

SECTION I: RATES - TYPE: PREDETERMINED (PRED)

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>ON CAMPUS</u>	<u>OFF CAMPUS</u>	<u>BASE</u>	<u>APPLICABLE TO</u>
<u>Main Campus</u>						
PRED	7/1/16	6/30/17	55.0%	26.0%	(a)	Organized Research (1)
PRED	7/1/17	6/30/20	53.0%	26.0%	(a)	Organized Research (1)
PRED	7/1/16	6/30/17	71.0%	41.0%	(a)	Organized Research (2)
PRED	7/1/17	6/30/20	70.2%	43.1%	(a)	Organized Research (2)
PRED	7/1/16	6/30/17	52.0%	26.0%	(a)	Instruction
PRED	7/1/17	6/30/20	52.6%	26.0%	(a)	Instruction
PRED	7/1/16	6/30/17	34.5%	26.0%	(a)	Other Sponsored Activities
PRED	7/1/17	6/30/20	37.0%	26.0%	(a)	Other Sponsored Activities
<u>Michigan Tech Research Institute, Ann Arbor, MI</u>						
PRED	7/1/16	6/30/17	50.75%	26.0%	(a)	Organized Research (1)
PRED	7/1/17	6/30/20	51.4%	26.0%	(a)	Organized Research (1)
PRED	7/1/16	6/30/17	84.5%	59.5%	(a)	Organized Research (2)
PRED	7/1/17	6/30/20	81.7%	56.3%	(a)	Organized Research (2)

DISTRIBUTION BASE

- (a) Modified Total Direct Costs (MTDC), as defined in 2 CFR Part 200, consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and subawards up to the first \$25,000 of each subaward (regardless of the period covered by the subawards under the award). MTDC excludes 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.

APPLICABLE TO:

- (1) Applies to all Non-DOD Instruments, all DOD Grants and to DOD Contracts awarded before November 30, 1993. See Section II, Paragraph E hereof (capped)
- (2) Applies to only DOD Contracts awarded on or after November 30, 1993 in accordance with and under the authority of DFARS 231.303(1). See Section II, Paragraph E hereof (uncapped).

SECTION II: GENERAL TERMS AND CONDITIONS

A. LIMITATIONS: Use of the rates set forth under Section I is subject to any statutory or administrative limitations and is applicable to a given grant, contract or other agreement only to the extent that funds are available and consistent with any and all limitations of cost clauses or provisions, if any, contained therein. Acceptance of any or all of the rates agreed to herein is predicated upon all the following conditions: (1) that no costs other than those incurred by the recipient were included in its indirect cost pool as finally accepted and that all such costs are legal obligations of the recipient and allowable under governing cost principles; (2) that the same costs that have been treated as indirect costs are not claimed as direct costs; (3) that similar types of costs, in like circumstances, have been accorded consistent accounting treatment; (4) that the information provided by the recipient, which was used as the basis for the acceptance of the rates agreed to herein and expressly relied upon by the Government in negotiating the said rates, is not subsequently found to be materially incomplete or inaccurate.

B. ACCOUNTING CHANGES: The rates contained in Section I of this agreement are based on the accounting system in effect at the time this agreement was negotiated. Changes to the method(s) of accounting for costs, which affects the amount of reimbursement resulting from the use of these rates, require the written approval of the authorized representative of the cognizant negotiating agency for the Government prior to implementation of any such changes. Such changes include but are not limited to changes in the charging of a particular type of cost from indirect to direct. Failure to obtain such approval may result in subsequent cost disallowances.

C. PREDETERMINED RATES: The predetermined rates contained in this agreement are not subject to adjustment in accordance with the provisions of 2 CFR Part 200, subject to the limitations contained in Part A of this section.

D. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I hereof were negotiated in accordance with and under the authority set forth in 2 CFR Part 200. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts, and/or

other agreements to which 2 CFR Part 200 is applicable, subject to any limitations in part A of this section. Copies of this document may be provided by either party to other Federal agencies to provide such agencies with documentary notice of this agreement and its terms and conditions.

E. APPLICATION OF INDIRECT COST RATES TO DOD CONTRACTS: In accordance with DFARS 231.303, no limitation (unless waived by the institution) may be placed on the reimbursement of otherwise allowable indirect costs incurred by an institution of higher education under a DOD contract awarded on or after November 30, 1993, unless the same limitation is applied uniformly to all other organizations performing similar work. It has been determined by the Department of Defense that such limitation is not being uniformly applied. Accordingly, the rates cited (2) of Section I, as explained under the title, "APPLICABLE TO" do not reflect the application of the 26% limitation on administrative indirect costs imposed by 2 CFR Part 200, whereas (1) do so.

F. DFARS WAIVER: Signature of this agreement by the authorized representative of Michigan Tech University and the Government acknowledges and affirms the University's request to waive the prohibition contained in DFARS 231.303(1) and the Government's exercise of its discretion contained in DFARS 231.303(2) to waive the prohibition in DFARS 231.303(1) with the exception of the MTU Main Campus Research Rate and MTRI Campus Research Rate. The waiver request by Michigan Tech University is made to simplify the University's overall management of DOD cost reimbursements under DOD contracts.

G. SPECIAL REMARKS: The Government's agreement with the rates set forth in Section I is not an acceptance of the Michigan Technological University's accounting practices or methodologies. Any reliance by the Government on cost data or methodologies submitted by Michigan Technological University is on a non-precedence-setting basis and does not imply Government acceptance.

Accepted:

FOR THE MICHIGAN TECHNOLOGICAL
UNIVERSITY:



JULIE H. SEPPALA
Vice President for Finance
Treasurer of the Board of Trustees

6-15-2017
Date

FOR THE U.S. GOVERNMENT:



LINDA B. SHIPP
Contracting Officer

6-16-2017
Date

For information concerning this agreement contact:
Shea Kersey
Office of Naval Research

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DEPARTMENT OF THE NAVY
OFFICE OF NAVAL RESEARCH
875 NORTH RANDOLPH STREET
SUITE 1425
ARLINGTON, VA 22203-1995

Agreement Date: May 30, 2018

NEGOTIATION AGREEMENT

INSTITUTION: **MICHIGAN TECHNOLOGICAL UNIVERSITY
HOUGHTON, MICHIGAN 49931-1295**

The Fringe Benefits rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to Michigan Technological University by all Federal Agencies of the United States of America, in accordance with the cost principles mandated by 2 CFR Part 200. These rates shall be used for forward pricing and billing purposes for the Michigan Technological University's Fiscal Year 2019. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2019.

Section I: RATES - TYPE: PREDETERMINED (PRED)

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>	<u>LOCATION</u>
Pred	7/1/18	6/30/19	37.4%	(a)	Regular Non-Student Employees	All
Pred	7/1/18	6/30/19	8.6%	(b)	Graduate Students	All
Pred	7/1/18	6/30/19	20.5%	(c)	Summer Faculty*	All
Pred	7/1/18	6/30/19	10.0%	(d)	Temporary Employees	All

DISTRIBUTION BASES

- (a) Non-Student Salary and Wages
- (b) Graduate Student Salary and Wages
- (c) Summer Faculty and Additional Compensation Salary and Wages
- (d) Temporary Employee Salary and Wages

*See Section II. Note E.

SECTION II: GENERAL TERMS AND CONDITIONS

A. **LIMITATIONS:** Use of the rates set forth under Section I is subject to any statutory or administrative limitations and is applicable to a given grant, contract or other agreement only to the extent that funds are available and consistent with any and all limitations of cost clauses or provisions, if any, contained therein. Acceptance of any or all of the rates agreed to herein is predicated upon all the following conditions: (1) that no costs other than those incurred by the recipient/contractor were included in its indirect cost pool as finally accepted and that all such costs are legal obligations of the recipient/contractor and allowable under governing cost principles; (2) that the same costs that have been treated as indirect costs are not claimed as direct

costs; (3) that similar types of costs, in like circumstances, have been accorded consistent accounting treatment; (4) that the information provided by the recipient/contractor, which was used as the basis for the acceptance of the rates agreed to herein and expressly relied upon by the Government in negotiating the said rates, is not subsequently found to be materially incomplete or inaccurate.

B. ACCOUNTING CHANGES: The rates contained in Section I of this agreement are based on the accounting system in effect at the time this agreement was negotiated. Changes to the method(s) of accounting for costs, which affects the amount of reimbursement resulting from the use of these rates, require the written approval of the authorized representative of the cognizant negotiating agency for the Government prior to implementation of any such changes. Such changes include but are not limited to changes in the charging of a particular type of cost from indirect to direct. Failure to obtain such approval may result in subsequent cost disallowances.


C. PREDETERMINED RATES: The predetermined rates contained in this agreement are not subject to adjustment in accordance with the provisions of 2 CFR Part 200, subject to the limitations contained in Part A of this section.

D. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I hereof were negotiated in accordance with and under the authority set forth in 2 CFR Part 200. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts, and/or other agreements to which 2 CFR Part 200 is applicable, subject to any limitations in part A of this section. Copies of this document may be provided by either party to other Federal agencies to provide such agencies with documentary notice of this agreement and its terms and conditions.

E. SPECIAL REMARKS: The Summer Faculty fringe rate is applicable to regular faculty members with summer appointments and to awarding-agency-approved intra-university consulting labor.


Accepted:

FOR MICHIGAN TECHNOLOGICAL
UNIVERSITY:


JULIE H. SEPPALA
Vice President for Finance
Treasurer of the Board of Trustees

05/31/2018
Date

FOR THE U.S. GOVERNMENT:


SHEA D. KERSEY
Contracting Officer

6/4/18
Date

For information concerning this agreement contact:

Shea Kersey
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