



NEGOTIATION AGREEMENT

INSTITUTION: MICHIGAN TECHNOLOGICAL UNIVERSITY  
HOUGHTON, MICHIGAN

The Facilities and Administrative (F&A) cost and 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 200. These rates shall be used for forward pricing and billing purposes for the Michigan Technological University's Fiscal Year 2017. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2017.

Section I: RATES - TYPE: PROVISIONAL (PROV)

F&A Rates:

| <u>TYPE</u> | <u>FROM</u> | <u>TO</u> | <u>RATE</u> | <u>BASE</u> | <u>LOCATION</u> | <u>APPLICABLE TO</u>       |
|-------------|-------------|-----------|-------------|-------------|-----------------|----------------------------|
| PROV        | 7/1/16      | 6/30/17   | 55.0%       | (a)         | On Campus       | Organized Research (1)     |
| PROV        | 7/1/16      | 6/30/17   | 71.0%       | (a)         | On Campus       | Organized Research (2)     |
| PROV        | 7/1/16      | 6/30/17   | 26.0%       | (a)         | Off Campus      | Organized Research (1)     |
| PROV        | 7/1/16      | 6/30/17   | 41.0%       | (a)         | Off Campus      | Organized Research (2)     |
| PROV        | 7/1/16      | 6/30/17   | 52.0%       | (a)         | On Campus       | Instruction                |
| PROV        | 7/1/16      | 6/30/17   | 26.0%       | (a)         | Off Campus      | Instruction                |
| PROV        | 7/1/16      | 6/30/17   | 34.5%       | (a)         | On Campus       | Other Sponsored Activities |
| PROV        | 7/1/16      | 6/30/17   | 26.0%       | (a)         | Off Campus      | Other Sponsored Activities |
| PROV        | 7/1/16      | 6/30/17   | 50.75%      | (a)         | On Campus MTRI* | Organized Research (1)     |
| PROV        | 7/1/16      | 6/30/17   | 84.5%       | (a)         | On Campus MTRI  | Organized Research (2)     |
| PROV        | 7/1/16      | 6/30/17   | 26.0%       | (a)         | On Campus MTRI  | Organized Research (1)     |
| PROV        | 7/1/16      | 6/30/17   | 59.5%       | (a)         | On Campus MTRI  | Organized Research (2)     |

\*Michigan Tech Research Institute, Ann Arbor, MI

**Fringe Benefits Rates:**

| <u>TYPE</u> | <u>FROM</u> | <u>TO</u> | <u>RATE</u> | <u>BASE</u> | <u>APPLICABLE TO</u>          | <u>LOCATION</u> |
|-------------|-------------|-----------|-------------|-------------|-------------------------------|-----------------|
| PROV        | 7/1/16      | 6/30/17   | 37.5%       | (b)         | Regular Non-Student Employees | All             |
| PROV        | 7/1/16      | 6/30/17   | 7.5%        | (c)         | Graduate Students             | All             |
| PROV        | 7/1/16      | 6/30/17   | 20.0%       | (d)         | Additional Compensation       | All             |
| PROV        | 7/1/16      | 6/30/17   | 9.0%        | (e)         | Temporary Employees           | All             |

DISTRIBUTION BASES

(a) Modified Total Direct Cost (MTDC), as defined in 2 CFR 200, consists of salaries and wages, 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 subaward). Equipment (defined as having an acquisition cost equal to or greater than \$5,000 and useful life of more than one year for acquisitions), capital expenditures, charges for patient care and tuition remission, rental costs, scholarships, participant support costs, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000 is excluded.

(b) Non-Student Salary and Wages

(c) Graduate Student Salary and Wages

(d) Additional Compensation Salary and Wages

(e) Temporary Employee Salary and Wages

APPLICABLE TO

(1) Applies to DOD contracts awarded before November 30, 1993, all Non-DOD Instruments, and all DOD grants (See Section II, paragraph E). (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). (Uncapped)

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**SECTION II: GENERAL TERMS AND CONDITIONS**

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**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 grantee/contractor were included in its indirect cost pool as finally accepted and that all such costs are legal obligations of the grantee/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 contractor/grantee, 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. PROVISIONAL RATES:** The provisional rates contained in this agreement are subject to unilateral amendment by the Government or bilateral amendment by the contracting parties at any time.

**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 200. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and other agreements to which 2 CFR 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/SUBCONTRACTS:** 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 200, whereas (1) do so.

**F. DFARS WAIVER:** Signature of this agreement by the authorized representative of Michigan Technological 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) for the Instruction and Other Sponsored Activities rates. The waiver request by Michigan Technological 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 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 MICHIGAN TECHNOLOGICAL  
UNIVERSITY:

FOR THE U.S. GOVERNMENT:

  
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JULIE SEPPALA  
Executive Director of Financial Services  
and Operations, Treasurer of the Board  
of Trustees

  
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BETH A. SNYDER  
Contracting Officer

Date

6/24/16

Date

6/24/2016

*For information concerning this agreement contact:*

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