



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

IN REPLY REFER TO:

Agreement Date: February 12, 2018  
 [Supersedes Agreement Dated: June 29, 2017]

**NEGOTIATION AGREEMENT**

INSTITUTION: UTAH STATE UNIVERSITY  
 LOGAN, UTAH 84322-1445

The Facilities and Administrative (F&A) rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to Utah State 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 at Utah State University for Fiscal Years 2018 and 2019. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Years 2018 and 2019.

**SECTION I: RATES - TYPE: FIXED WITH CARRY FORWARD PROVISIONS (Fixed)  
 PREDETERMINED (Pred)**

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE ON CAMPUS</u>	<u>RATE OFF CAMPUS</u>	<u>BASE</u>	<u>APPLICABLE TO</u>
Fixed	7/1/2017	6/30/2018	42.60%	21.81%	(a)	Organized Research (1)
Fixed	7/1/2017	6/30/2018	42.60%	21.81%	(a)	Organized Research (2)
Pred	7/1/2017	6/30/2018	26.00%	18.40%	(a)	Other Sponsored Activities
Pred	7/1/2017	6/30/2018	50.40%	26.00%	(a)	Instruction
Fixed	7/1/2018	6/30/2019	45.00%	26.00%	(a)	Organized Research (1)
Fixed	7/1/2018	6/30/2019	45.00%	26.00%	(a)	Organized Research (2)
Pred	7/1/2018	6/30/2019	26.50%	19.00%	(a)	Other Sponsored Activities
Pred	7/1/2018	6/30/2019	50.40%	26.00%	(a)	Instruction

**DISTRIBUTION BASE**

(a) Modified Total Direct Costs (MTDC) means 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). 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 other agreements, and to DOD Contracts awarded before November 30, 1993. See Section II, Paragraph G hereof.

(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 G hereof.

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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 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. FIXED RATES WITH CARRY-FORWARD PROVISIONS:** The fixed rates contained in this agreement are based on estimates of the costs for FY 2018 and FY 2019. When actual costs for this fiscal years are determined, adjustments will be applied to the next subsequent rate negotiation to recognize the difference between the FY 2018 and FY 2019 estimated costs used to establish the fixed rates and the negotiated actual FY 2018 and FY 2019.

**D. 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.

**E. Carry Forward Amounts:** The following estimated carry-forward amounts were included in the establishment of the FY 2018 and FY 2019 rates:

**Liquidated in FY 2018 Fixed Rates**

	USU Under/(Over) Recovery		USU Under/(Over) Recovery	
	Capped	Capped	Uncapped	Uncapped
	On Campus	Off Campus	On Campus	Off Campus
Organized Research				
FY 13 Estimated	(\$800,000)	\$0	(\$800,000)	\$0
FY 14 Estimated	(\$350,000)	\$0	(\$350,000)	\$0
FY 15 Estimated	(\$968,000)	\$0	(\$968,000)	\$0
FY 16 Estimated	\$0	\$0	\$0	\$0

**Liquidated in FY 2019 Fixed Rates**

	USU Under/(Over) Recovery		USU Under/(Over) Recovery	
	Capped	Capped	Uncapped	Uncapped
	On Campus	Off Campus	On Campus	Off Campus
Organized Research				
FY 13 Estimated	(\$543,877)	\$0	(\$533,877)	\$0
FY 14 Estimated	(\$35,565)	\$0	(\$29,635)	\$0
FY 15 Estimated	(\$519,662)	\$9,095	(\$522,075)	\$9,095
FY 16 Estimated	\$735,000	\$18,800	\$735,000	\$18,800

**F. 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.

**G. APPLICATION OF INDIRECT COST RATES TO DOD CONTRACTS:**

- Signature of this agreement by the authorized representatives of Utah State University and the Government, acknowledges and affirms the institution's request for waiver of the prohibition contained in DFARS 231.303(1) and the Government's exercise of its discretion under DFARS 231.303(2) to waive the prohibition in DFARS 231.303(1) for all F&A cost rates, except for F&A rates applicable to Organized Research. The waiver request by Utah State University is made to simplify the institute's overall management of DOD cost reimbursements under 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 (1) of Section I (as explained under the title "APPLICABLE TO"), reflect the application of the 26% limitation on administrative indirect costs imposed by 2 CFR Part 200; whereas (2) does not.

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

Accepted:

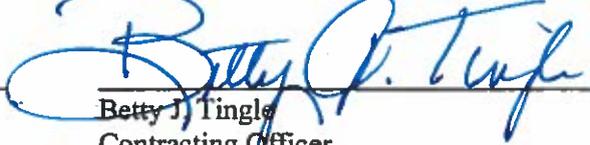
FOR UTAH STATE UNIVERSITY:



Danford R. Christensen  
Controller

2-12-18  
Date:

FOR THE GOVERNMENT:



Betty J. Tingle  
Contracting Officer

2/12/18  
Date:

*For information concerning this agreement contact:*

Betty Tingle, Contracting Officer  
Office of Naval Research

Phone: (703) 696-7742  
E-mail: [betty.tingle@navy.mil](mailto:betty.tingle@navy.mil)

**RATE COMPONENT SHEET**

Institution: Utah State University

FY Covered: 2018

Function Rate is Applicable to: Organized Research

Type of Rate: FIXED with carry-forward provisions

Distribution Base: MTDC (see Below)

RATE COMPONENTS:	On Campus Organized Research	
	Capped	Uncapped
<b>1. ADMINISTRATIVE:</b>		
A. G&A	4.24%	4.24%
B. DA	10.53%	10.53%
C. DA Allowance	3.60%	3.60%
D. SPA	3.44%	3.44%
E. Student Services	0.00%	0.00%
F. Administrative Cap Adjustment		
Subtotal	21.81%	21.81%
<b>2. DEPRECIATION/USE ALLOWANCE</b>		
A. Buildings Deprec.	6.61%	6.61%
B. Equipment Deprec.	3.29%	3.29%
<b>3. INTEREST</b>	0.50%	0.50%
4. O&M	13.53%	13.53%
5. LIBRARY	0.68%	0.68%
<b>6. CARRY-FORWARD ADJUSTMENTS:</b>		
Estimated FY13 (\$800,000)	(1.44%)	(1.44%)
Estimated FY14 (\$350,000)	(0.63%)	(0.63%)
Estimated FY15 (\$968,000)	(1.74%)	(1.74%)
	0.00%	0.00%
	0.00%	0.00%
7. Rounding	0.00%	0.00%
8. Voluntary Reduction	0.00%	0.00%
Total	42.60%	42.60%

RATE COMPONENTS:	Off Campus Organized Research	
	Capped	Uncapped
<b>1. ADMINISTRATIVE:</b>		
A. G&A	4.24%	4.24%
B. DA	10.53%	10.53%
C. DA Allowance	3.60%	3.60%
D. SPA	3.44%	3.44%
E. Student Services	0.00%	0.00%
F. Administrative Cap Adjustment		
Subtotal	21.81%	21.81%
<b>2. DEPRECIATION/USE ALLOWANCE</b>		
A. Buildings Deprec.	0.00%	0.00%
B. Equipment Deprec.	0.00%	0.00%
<b>3. INTEREST</b>	0.00%	0.00%
4. O&M	0.00%	0.00%
5. LIBRARY	0.00%	0.00%
<b>6. CARRY-FORWARD ADJUSTMENTS:</b>		
	0.00%	0.00%
	0.00%	0.00%
	0.00%	0.00%
	0.00%	0.00%
	0.00%	0.00%
	0.00%	0.00%
	21.81%	21.81%

( ) Denotes Over-Recovery

MTDC BASE: \$55,651,603

\$55,651,603

\$ 607,118

\$ 607,118

FOR THE UNIVERSITY:

*Danford R. Christensen*  
Danford R. Christensen  
Controller

Date

*2/12/18*

FOR THE U.S. GOVERNMENT:

*Betty J. Tingle*  
Betty J. Tingle  
Contracting Officer

Date

*2/12/18*

**RATE COMPONENT SHEET**

Institution: Utah State University

FY Covered: 2019

Function Rate is Applicable to: Organized Research

Type of Rate: **FIXED** with carry-forward provisions

Distribution Base: MTDC (see Below)

RATE COMPONENTS:	On Campus Organized Research	
	Capped	Uncapped
<b>1. ADMINISTRATIVE:</b>		
A. G&A	4.23%	4.23%
B. DA	10.23%	10.23%
C. DA Allowance	3.60%	3.60%
D. SPA	3.43%	3.43%
E. Student Services	0.00%	0.00%
Rounding	(0.02%)	(0.02%)
Subtotal	21.47%	21.47%
<b>2. DEPRECIATION/USE ALLOWANCE</b>		
A. Buildings Deprec.	6.42%	6.42%
B. Equipment Deprec.	3.22%	3.22%
<b>3. INTEREST</b>	0.48%	0.46%
4. O&M	13.42%	13.42%
5. LIBRARY	0.63%	0.63%
<b>6. CARRY-FORWARD ADJUSTMENTS:</b>		
Estimated FY13 (\$543,877)	(0.90%)	(0.94%)
Estimated FY14 (\$35,585)	(0.08%)	(0.05%)
Estimated FY15 (\$519,682)	(0.92%)	(0.92%)
Estimated FY16 \$735,000	1.30%	1.30%
	0.00%	0.00%
7. Rounding	0.02%	(0.01%)
8. Voluntary Reduction	0.00%	0.00%
Total	45.00%	45.00%

( ) Denotes Over-Recovery

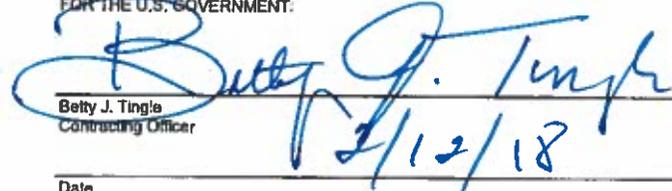
**MTDC BASE:** \$56,669,650

FOR THE UNIVERSITY:

  
 Danford R. Christensen  
 Controller  
 Date: 2/12/18

RATE COMPONENTS:	Off Campus Organized Research	
	Capped	Uncapped
<b>1. ADMINISTRATIVE:</b>		
A. G&A	4.23%	4.23%
B. DA	10.23%	10.23%
C. DA Allowance	3.60%	3.60%
D. SPA	3.43%	3.43%
E. Student Services	0.00%	0.00%
Rounding	(0.02%)	(0.02%)
Subtotal	21.47%	21.47%
<b>2. DEPRECIATION/USE ALLOWANCE</b>		
A. Buildings Deprec.	0.00%	0.00%
B. Equipment Deprec.	0.00%	0.00%
<b>3. INTEREST</b>	0.00%	0.00%
4. O&M	0.00%	0.00%
5. LIBRARY	0.00%	0.00%
<b>6. CARRY-FORWARD ADJUSTMENTS:</b>		
Estimated FY15 \$9,095	0.00%	0.00%
Estimated FY16 \$18,800	0.00%	0.00%
Estimated FY15 \$9,095	1.47%	1.47%
Estimated FY16 \$18,800	3.04%	3.04%
	0.00%	0.00%
	0.02%	0.02%
	0.00%	0.00%
	26.00%	26.00%

FOR THE U.S. GOVERNMENT:

  
 Betty J. Tingle  
 Contracting Officer  
 Date: 2/12/18

**RATE COMPONENT SHEET**

Institution: Utah State University

FY Covered: 2018-2019

Function Rate is Applicable to: Other Sponsored Activities

Type of Rate: Predetermined

Distribution Base: MTDC (see Below)

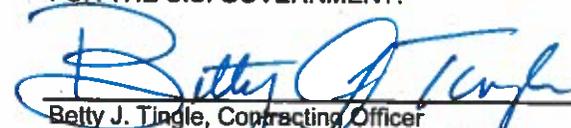
<u>RATE COMPONENTS:</u>	<u>Other Sponsored Activities 2018</u>		<u>Other Sponsored Activities 2019</u>	
	<u>On Campus</u>	<u>Off Campus</u>	<u>On Campus</u>	<u>Off Campus</u>
<b>1. ADMINISTRATIVE:</b>				
A. G&A	4.19%	4.19%	4.19%	4.19%
B. DA	8.18%	8.18%	8.05%	8.05%
C. DA Allowance	3.60%	3.60%	3.60%	3.60%
D. SPA	3.44%	3.44%	3.43%	3.43%
E. Student Services	0.00%	0.00%	0.00%	0.00%
F. Administrative Cap Adjustment			0.00%	0.00%
Subtotal	19.41%	19.41%	19.27%	19.27%
<b>2. DEPRECIATION/USE ALLOWANCE</b>				
A. Buildings Deprec.	1.95%	0.00%	1.82%	0.00%
B. Equipment Deprec.	0.26%	0.00%	0.25%	0.00%
<b>3. INTEREST</b>	0.22%	0.00%	0.20%	0.00%
<b>4. O&amp;M</b>	4.72%	0.00%	4.44%	0.00%
<b>5. LIBRARY</b>	0.61%	0.00%	0.57%	0.00%
<b>6. Rounding</b>	0.00%	0.00%	0.00%	0.00%
<b>7. Voluntary Reduction</b>	(1.17%)	(1.01%)	(0.05%)	(0.27%)
Total	26.00%	18.40%	26.50%	19.00%
 <b>MTDC BASE:</b>	 <b>\$38,348,704</b>	 <b>\$11,590,182</b>	 <b>\$ 41,362,126</b>	 <b>\$12,493,883</b>

FOR THE UNIVERSITY:

  
 Danford R. Christensen, Controller

2/12/18  
 Date

FOR THE U.S. GOVERNMENT:

  
 Betty J. Tingle, Contracting Officer

2/12/18  
 Date

**RATE COMPONENT SHEET**

**Institution:** Utah State University

**FY Covered:** 2018-2019

**Function Rate is Applicable to:** Sponsored Instruction

**Type of Rate:** Predetermined

**Distribution Base:** MTDC (see Below)

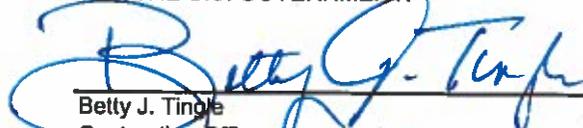
RATE COMPONENTS:	Instruction 2018		Instruction 2019	
	On Campus	Off Campus	On Campus	Off Campus
<b>1. ADMINISTRATIVE:</b>				
A. G&A	4.21%	4.21%	4.20%	4.20%
B. DA	10.12%	10.12%	8.90%	8.90%
C. DA Allowance	3.60%	3.60%	3.60%	3.60%
D. SPA	3.44%	3.44%	3.43%	3.43%
E. Student Services	10.34%	10.34%	9.45%	9.45%
F. Administrative Cap Adjustment	(5.71%)	(5.71%)	(3.58%)	(3.58%)
Subtotal	26.00%	26.00%	26.00%	26.00%
<b>2. DEPRECIATION/USE ALLOWANCE</b>				
A. Buildings Deprec.	6.19%	0.00%	5.69%	0.00%
B. Equipment Deprec.	1.31%	0.00%	1.20%	0.00%
<b>3. INTEREST</b>	0.30%	0.00%	0.26%	0.00%
<b>4. O&amp;M</b>	12.09%	0.00%	11.25%	0.00%
<b>5. LIBRARY</b>	6.61%	0.00%	6.08%	0.00%
<b>6. Rounding</b>	0.00%	0.00%	0.00%	0.00%
<b>7. Voluntary Reduction</b>	(2.10%)	0.00%	-0.08%	0.00%
<b>Total</b>	<b>50.40%</b>	<b>26.00%</b>	<b>50.40%</b>	<b>26.00%</b>
<b>MTDC BASE:</b>	<b>\$ 183,073,990</b>	<b>\$1,815,187</b>	<b>\$ 200,274,395</b>	<b>\$ 2,018,950</b>

FOR THE UNIVERSITY:

  
 Danford R. Christensen  
 Controller

2/12/18  
 Date

FOR THE U.S. GOVERNMENT:

  
 Betty J. Tingle  
 Contracting Officer

2/12/18  
 Date

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