

**DEPARTMENT OF HEALTH & HUMAN SERVICES**

Program Support Center  
Financial Management Service  
Division of Cost Allocation

Cohen Building-Room 1067  
330 Independence Avenue, S.W.  
Washington, DC 20201  
PHONE: (202)-401-2808  
FAX: (202)-819-3378

June 2, 2009

Mr. Michael V. McKee  
Asst. Vice President and University Controller  
Office of the Vice President and Chief Financial Officer  
207 Tigert Hall  
P.O. Box 113200  
Gainesville, FL 32611-3200

Dear Mr. McKee:

The original and one copy of this facilities and administrative (F&A) cost and fringe benefit Rate Agreement are enclosed. This Agreement establishes an understanding reached between your organization and the Division of Cost Allocation concerning the rate(s) that may be used to support your claim for F&A costs on grants and contracts with the Federal Government.

This agreement represents a change in the treatment of fringe benefits. Effective 07/01/09, the university will be using fixed rates negotiated annually to charge fringe benefits.

Please have the original signed by an authorized representative of your organization and return it to me, retaining a copy for your files. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

A facilities and administrative cost rate proposal and a fringe benefit rate proposal, together with the supporting information, are required to substantiate your claim for indirect and fringe benefits costs claimed under grants and contracts awarded by the Federal Government. Your next fringe benefit rate proposal based on actual costs for the fiscal year end 06/30/09 will be due in our office by 12/31/09.

Sincerely,

A handwritten signature in black ink that reads "Darryl W. Mayes".

Darryl W. Mayes  
Director  
Division of Cost Allocation

**PLEASE SIGN AND RETURN THE ORIGINAL OF THE RATE AGREEMENT**

**ORIGINAL****COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN #: 59-6002052

DATE: June 2, 2009

**INSTITUTION:**

University of Florida  
 Finance & Accounting Division  
 111 Tigert Hall - PO Box 113200  
 Gainesville FL 32611-3200

FILING REF.: The preceding  
 Agreement was dated  
 July 6, 2006

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: FACILITIES AND ADMINISTRATIVE COST RATES\***

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

| TYPE  | EFFECTIVE PERIOD |               | RATE (%)   | LOCATIONS  | APPLICABLE TO       |
|-------|------------------|---------------|--|------------|---------------------|
|       | FROM             | TO            |  |            |                     |
| FINAL | 07/01/05         | 06/30/06      | 45.5   | On-Campus  | Organized Research  |
| PRED. | 07/01/06         | 06/30/10      | 46.5   | On-Campus  | Organized Research  |
| FINAL | 07/01/05         | 06/30/06      | 26.0   | Off-Campus | Organized Research  |
| PRED. | 07/01/06         | 06/30/10      | 26.0   | Off-Campus | Organized Research  |
| FINAL | 07/01/05         | 06/30/06      | 46.4   | On-Campus  | AREC (A)            |
| PRED. | 07/01/06         | 06/30/10      | 46.4   | On-Campus  | AREC (A)            |
| FINAL | 07/01/05         | 06/30/06      | 25.0   | Off-Campus | AREC (A)            |
| PRED. | 07/01/06         | 06/30/10      | 25.0   | Off-Campus | AREC (A)            |
| FINAL | 07/01/05         | 06/30/06      | 33.6   | On-Campus  | Other Spon Activity |
| PRED. | 07/01/06         | 06/30/10      | 33.6   | On-Campus  | Other Spon Activity |
| FINAL | 07/01/05         | 06/30/06      | 26.0   | Off-Campus | Other Spon Activity |
| PRED. | 07/01/06         | 06/30/10      | 26.0   | Off-Campus | Other Spon Activity |
| FINAL | 07/01/05         | 06/30/06      | 50.0   | On-Campus  | Instruction         |
| PRED. | 07/01/06         | 06/30/10      | 50.0   | On-Campus  | Instruction         |
| FINAL | 07/01/05         | 06/30/06      | 26.0   | Off-Campus | Instruction         |
| PRED. | 07/01/06         | 06/30/10      | 26.0   | Off-Campus | Instruction         |
| PROV. | 07/01/10         | UNTIL AMENDED | Use same rates and conditions as those cited for fiscal year ending June 30, 2010. |            |                     |

(A) Agriculture Research and Education Center and Florida Medical Entomology Lab within the Institute of Food and Agriculture Science.

**\*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.

(1)

U20301

INSTITUTION:  
University of Florida

AGREEMENT DATE: June 2, 2009

SECTION I: FRINGE BENEFITS RATES\*\*

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

| TYPE  | EFFECTIVE PERIOD |               | RATE (%)   | LOCATIONS | APPLICABLE TO       |
|-------|------------------|---------------|--|-----------|---------------------|
|       | FROM             | TO            |  |           |                     |
| FIXED | 07/01/09         | 06/30/10      | 22.6   | All       | Clinical Faculty    |
| FIXED | 07/01/09         | 06/30/10      | 27.8   | All       | Faculty             |
| FIXED | 07/01/09         | 06/30/10      | 33.1   | All       | TEAMS Exempt        |
| FIXED | 07/01/09         | 06/30/10      | 42.1   | All       | TEAMS Hourly        |
| FIXED | 07/01/09         | 06/30/10      | 18.3   | All       | House Stf/Post Docs |
| FIXED | 07/01/09         | 06/30/10      | 11.6   | All       | Graduate Asst       |
| FIXED | 07/01/09         | 06/30/10      | 2.1  | All       | OPS/Temp Faculty    |
| FIXED | 07/01/09         | 06/30/10      | 0.5  | All       | Student OPS/FWSP    |
| PROV. | 07/01/10         | UNTIL AMENDED | Use same rates and conditions as those cited for fiscal year ending June 30, 2010. |           |                     |

\*\*DESCRIPTION OF FRINGE BENEFITS RATE BASE:  
Salaries and wages.

INSTITUTION:  
University of Florida

AGREEMENT DATE: June 2, 2009

**SECTION II: SPECIAL REMARKS**

**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 costs 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. Actual costs will be apportioned between on-campus and off-campus components. Each portion will bear the appropriate rate.

**TREATMENT OF FRINGE BENEFITS:**

Prior to 06/30/09, fringe benefits are specifically identified to each employee and are charged individually as direct costs. Effective 07/01/09, fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included are listed below.

Fringe Benefits include: FICA, State Unemployment, Workers' Compensation, Retirement, Life Insurance and Health Insurance.

Equipment means an article of nonexpendable tangible personal property having a useful life of more than one year, and an acquisition cost of \$1,000 or more per unit.

The rates contained in this Agreement reflect the combined cost of the University of Florida and The University of Florida Research Foundation, Inc., and will apply to grants and contracts awarded to the Foundation.

**APPLICATION OF INDIRECT COST RATES TO DOD CONTRACTS/SUBCONTRACTS:**

In accordance with DFARS 2231.303, no limitation (unless waived by the institution) may be placed on the reimbursement of otherwise allowable indirect cost rates 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 following rates do not reflect the application of the 26% limitation on administrative indirect costs imposed by OMB Circular A-21.

| TYPE  | Effective Period       | Rate(%)   | Locations  | Applicable To |
|-------|------------------------|---|------------|---------------|
| FINAL | 07/01/05-06/30/06      | 47.5%   | On-Campus  | Orgn Research |
| PRED. | 07/01/06-06/30/10      | 48.5%   | On-Campus  | Orgn Research |
| FINAL | 07/01/05-06/30/06      | 28.0%   | Off-Campus | Orgn Research |
| PRED. | 07/01/06-06/30/10      | 28.0%   | Off-Campus | Orgn Research |
| PROV. | 07/01/10-Until Amended | Use same rates and conditions as those cited for fiscal year ended June 30, 2010. |            |               |

THIS AGREEMENT UPDATES THE FRINGE BENEFITS SECTION ONLY.

INSTITUTION:  
University of Florida

AGREEMENT DATE: June 2, 2009

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 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. 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 Florida  
University of Florida

(INSTITUTION)

Michael V. McKee  
(SIGNATURE)

Michael V. McKee

(NAME)

Assistant Vice Pres. & Controller

(TITLE)

June 19, 2009

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

Department of Health and Human Services

(AGENCY)

Darryl W. Mayes  
(SIGNATURE)

Darryl Mayes

(NAME)

Director

Division of Cost Allocation

(TITLE)

June 2, 2009

(DATE) 0301

HHS REPRESENTATIVE: Steven Zuraf

Telephone: (202) 401-2808