



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation26 Federal Plaza, Room 41-122
New York, New York 10278
Phone: (212) 264-2069
Fax: (212) 264-5478

June 23, 2009

Mr. Richard H. Cate
Interim Vice President for Finance
University of Vermont
352 Waterman Building, 85 South Prospect St.
Burlington, Vermont 05405-0160

Dear Mr. Cate:

A negotiation agreement is being faxed to you for signature. This agreement reflects an understanding reached between your institution and a member of my staff concerning the rates or amounts that may be used to support your claim for costs on grants and contracts with the Federal Government. The agreement must be signed by a duly authorized representative of your institution and faxed to me; retain a copy for your file. Our fax number is (212) 264-5478. We will reproduce and distribute the agreement to awarding agencies of the Federal Government for their use.

Requirements for adjustments to costs claimed under Federal Grants and Contracts resulting from this negotiation are dependent upon the type of rate contained in the negotiation agreement. Information relating to these requirements is enclosed.

In consideration of this agreement, the following was agreed to:

1. Final settlement of the actual fringe benefit rate for fiscal year ended June 30, 2008 resulted in an over-recovery of (\$466,332) for Regular Employees, an under-recovery of \$6,709 for Extension Service Employees, and an over-recovery of (\$16,730) for Student Employees. These carry-forward amounts must be included in your actual fringe benefit rates for fiscal year ending June 30, 2010.
2. A fringe benefit proposal for fiscal year ending June 30, 2009 will be due not later than December 31, 2009.

Mr. Richard H. Cate

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June 23, 2009

A proposal encompassing all activities of your institution together with the required supporting information must be submitted to my office at the address shown below for each fiscal year your institution claims costs under grants and contracts awarded by the Federal Government. This proposal is due within six months after the close of your fiscal year. Therefore, a proposal for fiscal year ending June 30, 2008 will be due in my office not later than December 31, 2008 (Proposal is currently in-house). The proposal will be used to establish rates/amounts for the fiscal year subsequent to the last period covered by an approved final, fixed, or predetermined rate(s). Failure to submit a timely proposal will be interpreted as a forfeiture of reimbursement for indirect costs. Therefore, unless a proposal is received by December 31, 2008 future awards made by the Department of Health and Human Services will be for direct costs only and will not provide for the recovery of costs contained in this agreement. In addition, the costs claimed against awards already made may be subject to disallowances.

If you are unable to submit your proposal by the prescribed date, you may request an extension. This request must be submitted prior to the due date of the proposal and must contain a justification for the extension and the date the proposal will be submitted.

Your proposal and relevant correspondence should be addressed to:

Department of Health and Human Services
 Division of Cost Allocation
 26 Federal Plaza, Room 41-122
 New York, New York 10278
 (212) 264-1823

In addition, please acknowledge your concurrence with the comments and conditions cited above by signing this letter in the space provided on page 3 and FAX (212-264-5478) it to me with the enclosed negotiation agreement.

Sincerely,

Robert I. Aaronson
 Robert I. Aaronson
 Director, Division of
 Cost Allocation

Enclosures
 Concurrences

Name

VPFA

Title

6/30/09

Date

ORIGINAL

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 1030179440

DATE: June 23, 2009

INSTITUTION:
 University of Vermont
 University Financial Services
 352 Waterman Bldg.
 85 South Prospect Street
 Burlington

FILING REF.: The preceding Agreement was dated May 16, 2008

VT 05405-0160

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)
<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE (%)</u>	<u>LOCATIONS</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			
PRED.	07/01/07	06/30/08	51.0	On-Campus	Research
PRED.	07/01/08	06/30/09	50.5	On-Campus	Research
PRED.	07/01/07	06/30/09	28.2	Off-Campus A	Research
PRED.	07/01/07	06/30/09	26.0	Off-Campus B	Research
PRED.	07/01/07	06/30/09	29.5	All	Exp Station
PRED.	07/01/07	06/30/09	29.9	All	Public Service
PRED.	07/01/07	06/30/09	14.3	All	Ext Service
PRED.	07/01/07	06/30/09	59.0	On-Campus	Instruction
PRED.	07/01/07	06/30/09	26.0	Off-Campus	Instruction
PROV.	07/01/09	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2009.		

- (A) Off-Campus Burlington
- (B) Off-Campus outside Burlington

***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.

INSTITUTION:
 University of Vermont
 University Financial Services

AGREEMENT DATE: June 23, 2009

SECTION I: FRINGE BENEFITS RATES**

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

TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
FIXED	07/01/08	06/30/09	39.5	All	Regular Employees
FIXED	07/01/08	06/30/09	31.5	All	Ext. Serv. Employee
FIXED	07/01/08	06/30/09	8.7	All	Students
FIXED	07/01/09	06/30/10	40.0	All	Regular Employees
FIXED	07/01/09	06/30/10	32.8	All	Ext. Serv. Employee
FIXED	07/01/09	06/30/10	8.7	All	Students
PROV.	07/01/10	UNTIL AMENDED	40.0	All	Regular Employees
PROV.	07/01/10	UNTIL AMENDED	32.8	All	Ext. Serv. Employee
PROV.	07/01/10	UNTIL AMENDED	8.7	All	Students

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

INSTITUTION:
University of Vermont
University Financial Services

AGREEMENT DATE: June 23, 2009

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) 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 for the costs of these paid absences are not made.

1. The rates in this Agreement have been negotiated to reflect the administrative cap provisions of the revisions to OMB Circular A-21 published by the Office of Management and Budget on May 8, 1996. No rate affecting the institution's fiscal period beginning on or after October 1, 1991 contains total administrative cost components in excess of that 26 percent cap.

2. Treatment of Fringe Benefits: The fringe benefit costs listed below are reimbursed to the grantee through the direct fringe benefit rates: FICA, Workmen's Compensation, Unemployment Compensation, Group Life Insurance, Health and Dental Plans, Pensions, Retirement, Early Retirement, Group Disability Insurance, Tuition Remission, Administrations and Employee Assistance Program, Sabbaticals and Staff Development.

Effective 7/1/99 tuition support for dependents of University of Vermont employees is no longer an allowable fringe benefit expense and is not included in the approved rates.

3. 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.

This Rate Agreement updates fringe benefit rates only.

INSTITUTION:
University of Vermont
University Financial Services

AGREEMENT DATE: June 23, 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 Vermont

University Financial Services

(INSTITUTION)

(SIGNATURE)

RICHARD H. CATZ

(NAME)

VPFA

(TITLE)

6/30/09

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Robert I. Aaronson

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION

(TITLE)

June 23, 2009

(DATE) 0481

HHS REPRESENTATIVE: Ryan McCarthy

Telephone: (212) 264-2069