



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

1301 Young Street, Room 732
Dallas, TX 75202
PHONE: (214) 767-3261
FAX: (214) 767-3264
EMAIL: CAS-Dallas@psc.hhs.gov

January 12, 2016

Mr. David J. Ellis
Executive Director, Financial Reporting
University of Houston
226 E. Cullen Building
Houston, TX 77204-2016

Dear Mr. Ellis:

A copy of an Indirect Cost Rate Agreement is being emailed to you for signature. This Agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indirect costs on grants and contracts with the Federal Government.

The Office of Management and Budget (OMB) has requested that we reach an agreement with each institution on components for the published F&A cost rates. The attached form(s) are provided for that purpose. Please sign the form(s) and return them with the agreement.

Please have the original signed by an authorized representative of your organization and email 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.

An indirect cost proposal, together with the supporting information, is required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending 8/31/18 is due in our office by 2/28/19.

Sincerely,

Arif M.
Karim -S

Arif Karim
Director
Cost Allocation Services

Digitally signed by Arif M. Karim -S
DN: c=US, o=U.S. Government, ou=HHS,
ou=PSC, ou=People, cn=Arif M. Karim -
S,
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Date: 2016.01.13 15:24:56 -06'00'

Enclosure

PLEASE SIGN AND FAX A COPY OF THE RATE AGREEMENT/

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1746001399A3

DATE:01/12/2016

ORGANIZATION:

FILING REF.: The preceding agreement was dated 08/24/2011

University of Houston
226 E. Cullen Building
Houston, TX 77204-2016

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)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	09/01/2015	08/31/2017	50.50	On Campus	Organized Research
PRED.	09/01/2017	08/31/2019	53.00	On Campus	Organized Research
PRED.	09/01/2015	08/31/2019	31.00	On Campus	Other Sponsored Activities
PRED.	09/01/2015	08/31/2019	26.00	Off Campus	All Programs
PROV.	09/01/2019	08/31/2021	53.00	On Campus	Organized Research
PROV.	09/01/2019	08/31/2021	31.00	On Campus	Other Sponsored Activities
PROV.	09/01/2019	08/31/2021	26.00	Off Campus	All Programs

*BASE

ORGANIZATION: University of Houston

AGREEMENT DATE: 1/12/2016

Modified total direct costs, consisting of 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). Modified total direct costs shall exclude 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. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

ORGANIZATION: University of Houston

AGREEMENT DATE: 1/12/2016

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits 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 are not made for the cost 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. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

Equipment Definition -

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.

FRINGE BENEFITS:

FICA

Retirement

Worker's Compensation

Life Insurance

Health Insurance

Unemployment Insurance

Severance Pay

Tuition Remission

A next proposal based on actual costs for the fiscal year ending 8/31/18, will be due no later than 2/28/19.

ORGANIZATION: University of Houston

AGREEMENT DATE: 1/12/2016

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 Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200), and should be applied to grants, contracts and other agreements covered by 2 CFR 200, 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 Houston

(INSTITUTION)

(SIGNATURE)

Ramanan Krishnamoorti

(NAME)

Interim VC/VP for Research and Tech. Transfer

(TITLE)

1/15/2016

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Arif M. Karim -S

Digitally signed by Arif M. Karim -S
DN: cn=US, o=U.S. Government, ou=HHS, ou=PSIC, ou=People,
email=Arif.M.Karim.S.03.2342.19300300.106.1.1+2000212899,
Date: 2016.01.13 15:23:17 -0600

(SIGNATURE)

Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

1/12/2016

(DATE) 0144

HHS REPRESENTATIVE:

Uyen Tran

Telephone:

(214) 767-3261

COMPONENTS OF THE PUBLISHED FACILITIES & ADMINISTRATIVE COST RATE

INSTITUTION: University of Houston

FY COVERED BY RATE: FY 2016 - FY 2019

RATE TYPE:

RATE COMPONENTS:

ORGANIZED RESEARCH		
On-Camp FY 16 - 17	On-Camp FY 18 - 19	Off-Camp FY 16 - 19
1.4	5.4	
3.4	7.5	
0.1	2.7	
18.1	10.4	
1.5	1.0	
0.0	0.0	
26.0	26.0	26.0
50.5	53.0	26.0

Building Depreciation

Equipment Depreciation

Interest

Operations & Maintenance

Library


Utility Cost Allowance

Administrative Component

F&A Rate

CONCURRENCE:

University of Houston
(Institution)


(Signature)

Ramanan Krishnamoorti
(Name)

Interim VC/VP for Research and Technology Transfer
(Title)

1/15/16
(Date)