



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Service  
Division of Cost Allocation

Room 732  
1301 Young Street  
Dallas, TX 75202  
PHONE: (214) 767-3261  
FAX: (214) 767-3264

December 19, 2011

Brian Laffey  
Office of the Associate  
Vice President for Finance and Controller  
Room 201 MB  
2200 S. Federal Street  
Chicago, Illinois 60616

Dear Mr. Laffey:

A copy of the Facilities and Administrative cost and Fringe Benefit Rate Agreement are enclosed. This Agreement reflects an understanding reached between your organization and a member of my staff concerning the Facilities and Administrative cost rates along with Fringe Benefit rate(s) that may be used to support your claim for facilities and administrative costs on grants and contracts with the Federal Government.

Please have the agreement signed by an authorized representative of your organization and fax it to me, retaining the copy for your files. Our fax number is (214) 767-3264. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

The Fixed Fringe Benefit cost rate(s) for the fiscal year ending May 31, 2012 are based on actual costs for the fiscal year ended May 31, 2010. They included the following under-recovered (-) or over-recovered (+) amounts:

Full Time Faculty	Under-recovery amount (\$1,167)
Full Time Staff	Over-recovery amount \$489
Part Time Faculty & Staff	Under-recovery amount (\$109)


The Fixed Fringe Benefit cost rate(s) for the fiscal year ending May 31, 2013 are based on actual costs for the fiscal year ended May 31, 2011. They included the following under-recovered (-) or over-recovered (+) amounts:

Full Time Faculty	Over-recovery amount \$56,371
Full Time Staff	Under-recovery amount (\$225,837)
Part Time Faculty & Staff	Over -recovery amount \$16,434

A Fringe Benefit cost proposal, together with supporting information and the certified audit financial statement, is required each year. Thus, your next Fringe Benefit cost proposal based on actual costs for the fiscal year ending May 31, 2012 is due in our office by November 30, 2012. Your next Facilities and Administrative cost rate proposal based on actual costs for the fiscal year ending May 31, 2014 is due in our office by November 30, 2014.

Since this is an integral part of the negotiation agreement, please note your acceptance by signing in the space provided below of this letter.

Thank you for your cooperation.

Sincerely,  
  
Arif Karim  
Director  
Division of Cost Allocation  
Central States Field Office

Enclosures

ACCEPTANCE

Illinois Institute of Technology  
(Institution)

Patricia Laughlin  
(Signature)

Patricia Laughlin  
(Name)

Vice President Finance + Admin  
(Title)

1-3-2012  
(Date)

**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN: 1362170136A1

DATE: 12/19/2011

**ORGANIZATION:**

Illinois Institute of Technology  
 3300 South Federal Street, MB 201  
 Chicago, IL 60616-3793

FILING REF.: The preceding  
 agreement was dated  
 05/24/2010

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: INDIRECT 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.	06/01/2009	05/31/2012	51.00	On Campus	Organized Research
PRED.	06/01/2009	05/31/2012	24.00	Off Campus	All Programs
PRED.	06/01/2009	05/31/2012	34.00	On Campus	Instruction
PRED.	06/01/2009	05/31/2012	24.00	Moffett Center	Non-FDA Programs
PRED.	06/01/2009	05/31/2012	8.00	Moffett Center	FDA Programs
PRED.	06/01/2012	05/31/2015	52.00	On Campus	Organized Research
PRED.	06/01/2012	05/31/2015	24.00	Off Campus	All Programs
PRED.	06/01/2012	05/31/2015	34.00	On Campus	Instruction
PRED.	06/01/2012	05/31/2015	24.00	Moffett Ctr	Non-FDA Programs
PRED.	06/01/2012	05/31/2015	9.50	Moffett Ctr	FDA Programs

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PROV.	06/01/2015	Until Amended		"Use same rates and conditions as cited for FYE 5/31/2015."	

\*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.

ORGANIZATION: Illinois Institute of Technology

AGREEMENT DATE: 12/19/2011

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**SECTION I: FRINGE BENEFIT RATES\*\***

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<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FIXED	6/1/2011	5/31/2012	21.70	All	Full Time Faculty
FIXED	6/1/2011	5/31/2012	23.60	All	Full Time Staff
FIXED	6/1/2011	5/31/2012	7.90	All	Part-Time Faculty & Staff
FIXED	6/1/2012	5/31/2013	22.30	All	Full Time Faculty
FIXED	6/1/2012	5/31/2013	25.50	All	Full Time Staff
FIXED	6/1/2012	5/31/2013	7.70	All	Part-Time Faculty & Staff
FINAL	6/1/2013	Until amended		"Use same rates and conditions as cited for FYE 5/31/2013."	

\*\* DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

ORGANIZATION: Illinois Institute of Technology

AGREEMENT DATE: 12/19/2011

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**SECTION II: SPECIAL REMARKS**

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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 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 \$1,000 or more per unit.

FRINGE BENEFITS:

FICA

Retirement

Disability Insurance

Life Insurance

Unemployment Insurance

Health Insurance

Tuition Remission

Dental Insurance

Worker's Compensation

ORGANIZATION: Illinois Institute of Technology

AGREEMENT DATE: 12/19/2011

**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:

Illinois Institute of Technology

(INSTITUTION)

(SIGNATURE)

(NAME)

(TITLE)

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Arif Karim

(NAME)

Director, Central States Field Office

(TITLE)

12/19/2011

(DATE) 5024

HHS REPRESENTATIVE:

Ernest Kinneer

Telephone:

(214) 767-3261

**COMPONENTS OF PUBLISHED F&A COST RATE**

INSTITUTION: **Illinois Institute of Technology**  
FY COVERED BY RATE: **June 1, 2012 through May 31, 2015**  
APPLICABLE TO: **ORGANIZED RESEARCH**

RATE COMPONENT:	<u>ON CAMPUS</u>	<u>OFF CAMPUS</u>
Building Depreciation	1.1	
Equipment Depreciation	1.5	
Interest	7.2	
Operation & Maintenance	16.1	
Library	2.1	
Administration	<u>24.0</u>	<u>24.0</u>
TOTAL	<u>52.0</u>	<u>24.0</u>

CONCURRENCE:

Illinois Institute of Technology  
(Institution)

Patricia Laughlin  
(Signature)

Patricia Laughlin  
(Name)

Vice Pres Finance + Admin  
(Title)

1-3-2012  
(Date)