

**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN: 1726087770A2

DATE:03/04/2020

ORGANIZATION:

FILING REF.: The preceding agreement was dated 05/14/2019

LSU Health Sciences Center, New Orleans  
433 Bolivar Street  
Suite 811  
New Orleans, LA 70112-2223

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.	07/01/2017	06/30/2018	46.00	On Campus	Organized Research
PRED.	07/01/2018	06/30/2021	47.00	On Campus	Organized Research
PRED.	07/01/2017	06/30/2021	46.00	On Campus	Instruction
PRED.	07/01/2017	06/30/2021	43.50	On Campus	Other Sponsored Activities
PRED.	07/01/2017	06/30/2021	26.00	Off Campus	All Programs
PROV.	07/01/2021	Until Amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2021.

\*BASE

ORGANIZATION: LSU Health Sciences Center, New Orleans

AGREEMENT DATE: 3/4/2020

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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: LSU Health Sciences Center, New Orleans

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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	7/1/2019	6/30/2020	43.00	All	F/T Faculty & Staff
FIXED	7/1/2020	6/30/2021	46.00	All	F/T Faculty & Staff
PROV.	7/1/2021	Until amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2021.

\*\* DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

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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.

FRINGE BENEFITS:

Retirement  
Unemployment Insurance  
Health Insurance  
Terminal Leave  
Sabbatical Leave  
Unfunded Retirement  
Worker's Compensation  
FICA  
Life Insurance  
Stipends

\*This Rate Agreement reflects new Fringe Benefits Rates only.\*

Your next fringe benefit proposal, based on actual costs for the fiscal year ending 06/30/20, is due in our office by 12/31/20.

Your next facilities and administrative proposal, based on actual costs for the fiscal year ending 06/30/20, is due in our office by 12/31/20.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.

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**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:

LSU Health Sciences Center, New Orleans

(INSTITUTION)

(SIGNATURE)

(NAME)

(TITLE)

(DATE)

*Arlean Wehle, CPA, CFE, CGMA*  
*Director of Accounting*  
*3/6/2020*

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

(NAME)

(TITLE)

(DATE)

(DATE) 4136

HHS REPRESENTATIVE:

Telephone:

*Arif M. Karim - S*  
Digitally signed by Arif M. Karim - S  
DN: cn=US, o=U.S. Government, ou=HHS, ou=PSC,  
ou=People, cn=Arif M. Karim - S,  
0.9.2342.19200300.100.1.1=2000212895  
Date: 2020.03.06 12:44:45 -0500

Theodore Foster

(214) 767-3261



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Portfolio  
Cost Allocation Services

1301 Young Street, Suite 106-1140  
Dallas, TX 75202  
PHONE: (214) 767-3261  
FAX: (214) 767-3264  
EMAIL: CAS-Dallas@psc.hhs.gov

March 4, 2020

Ms. Arlean Wehle, CPA, CFE, CGMA  
Director of Accounting  
Louisiana State University Health Sciences Center – New Orleans  
433 Bolivar Street  
New Orleans, LA 70112-2223

Dear Ms. Wehle:

A copy of a facilities and administrative (F&A) cost and fringe benefit (FB) Rate Agreement are being sent to you for your signature. This Agreement reflects an understanding reached between your organization and a member of my staff concerning F&A and FB rates that may be used to support your claim for these indirect costs on grants and contracts with the Federal Government.

Please have the Agreement signed by an authorized representative of your organization and return it to me by email, retaining the copy for your files. Our email address is [CAS-Dallas@psc.hhs.gov](mailto:CAS-Dallas@psc.hhs.gov). We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

During our review of your proposal, it was disclosed that the Institution's actuarially determined pension contributions exceeded the Governmental Accounting Standards Board (GASB) Statement No. 68 calculated pension expense. However, 2 CFR 200.431(g)(3) only allows pension plan costs determined in accordance with GAAP (i.e., GASB 68). The Office of Management and Budget (OMB) is aware of this issue and is currently considering revising the regulations. Therefore, we reserve the right to revise this Agreement to disallow the pension contributions in excess of the GASB 68 calculated pension expense, if OMB does not revise the regulation or issue an exception.

In addition, your FB cost rate(s) for the fiscal year ending June 30, 2020 based on actual costs for the fiscal year ended June 30, 2018 and FB cost rates for the fiscal year ending June 30, 2021 based on actual costs for the fiscal year ended June 30, 2019 under-recovered (-) or over-recovered (+) amounts are listed below:

**F/T Faculty & Staff:**

<u>2018/2020</u>	<u>2019/2021</u>
(\$699,367)	(\$1,724,762)

The fixed rate(s) for the fiscal years ended June 30, 2018 and June 30, 2019 are considered final.

Ms. A. Wehle  
March 4, 2020  
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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 June 30, 2020 is due in our office by December 31, 2020. Your next Facilities and Administrative cost rate proposal based on actual costs for the fiscal year ending June 30, 2020 is due in our office by December 31, 2020.

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 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,  
092342182003003003.1.1=2000212895  
Date: 2020.03.06 12:46:11 -0600

Enclosures

ACCEPTANCE

LSU HSC – New Orleans

Institution

Signature

Arlean Wehle, CPA, CFE, CGMA

Name

Director of Accounting

Title

3/6/2020

Date