



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Portfolio  
Cost Allocation Services

1301 Young Street, Room 732  
Dallas, TX 75202

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June 4, 2018

Ms. Terri Pinkston  
Assistant Vice President, Controller & Director of Administrative Services  
The University of Oklahoma  
660 Parrington Oval, Room 204  
Norman, OK 73019-3076

Dear Ms. Pinkston:

A copy of the indirect cost Rate Agreement is being sent 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 F&A and fringe benefit costs on grants and contracts with the Federal Government.

Please have the Agreement signed by an authorized representative of your organization, email to me, retaining a 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.

In addition, both parties agree to the following over (+) / under (-) recoveries:

	2016/2018	2017/2019	2017/2021
FTE's Eligible for Full Benefits (Match Not Required)	\$2,280,544	\$1,669,725	\$1,669,724
FTE's Eligible for Full Benefits (Match Required)	\$211,091	\$105,127	\$105,126
FTE's with Limited Benefits	\$(133,278)	\$(2,789)	\$(2,789)
Employees Without Core Benefits	\$48,953	\$3,057	-
Graduate Research/Teaching Assistants	\$(921,812)	\$149,915	-
Other Student Employees	\$53,663	\$12,991	-

These amounts are included in your fixed fringe benefit rates for the fiscal year ending 6/30/2018 and 6/30/2019 which are listed in the attached Rate Agreement. The fixed rate(s) for fiscal year ended 2016 and 2017 are considered final.

The University reduced its negotiated fixed fringe benefit rate for three labor categories in the last month of the FY 2017 because they offered its employees a health insurance premium holiday. This action caused the over recovery to increase as calculated for FY 2019. In order to minimize rate volatility for FY 2019, the over-recovery for FY 2017 will be split between FY 2019 and FY 2021.

Ms. Terri Pinkston

June 4, 2018

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Please indicate your concurrence with this condition by counter-signing this letter below and returning it to me.

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, 2018 is due in our office by December 31, 2018.

An F&A cost proposal, together with supporting information, are required to substantiate your claim for F&A costs under grants and contracts awarded by the Federal Government. Thus your next F&A cost proposal for fiscal year ending June 30, 2018 is due in our office by December 31, 2018.

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

Thank you for your cooperation.

Sincerely,

Arif M. Karim -S

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,  
09.2342.19206300.100.1, f=2000212695  
Date: 2018.06.06 15:26:55 -0500

Arif Karim  
Director  
Cost Allocation Services

Enclosures

**ACCEPTANCE**

The University of Oklahoma

(Institution)

Nicholas Hathaway

(Name)



(Signature)

Executive Vice President + Vice President for  
Administration and Finance

(Title)

6/11/18

(Date)

**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN: 1736017987D7

DATE:06/04/2018

ORGANIZATION:

FILING REF.: The preceding agreement was dated 05/20/2017

University of Oklahoma  
660 Parrington Oval  
Room 204  
Norman, OK 73019-3076

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.	07/01/2015	06/30/2016	52.00	On Campus	Organized Research
PRED.	07/01/2016	06/30/2019	55.00	On Campus	Organized Research
PRED.	07/01/2015	06/30/2019	53.50	On Campus	Instruction
PRED.	07/01/2015	06/30/2019	36.30	On Campus	Other Sponsored Activities
PRED.	07/01/2015	06/30/2019	26.00	Off Campus	All Programs
PROV.	07/01/2019	Until Amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2019.

\*BASE

ORGANIZATION: University of Oklahoma

AGREEMENT DATE: 6/4/2018

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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: University of Oklahoma

AGREEMENT DATE: 6/4/2018

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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	7/1/2017	6/30/2018	33.00	All	(1)
FIXED	7/1/2017	6/30/2018	40.80	All	(2)
FIXED	7/1/2017	6/30/2018	19.60	All	(3)
FIXED	7/1/2017	6/30/2018	9.40	All	(4)
FIXED	7/1/2017	6/30/2018	12.60	All	(5)
FIXED	7/1/2017	6/30/2018	0.30	All	(6)
FIXED	7/1/2018	6/30/2019	32.33	All	(1)
FIXED	7/1/2018	6/30/2019	39.95	All	(2)
FIXED	7/1/2018	6/30/2019	18.09	All	(3)
FIXED	7/1/2018	6/30/2019	9.70	All	(4)
FIXED	7/1/2018	6/30/2019	9.70	All	(5)
FIXED	7/1/2018	6/30/2019	0.40	All	(6)
PROV.	7/1/2019	Until amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2019.

**\*\* DESCRIPTION OF FRINGE BENEFITS RATE BASE:**

Salaries and wages.

07/01/17 - 06/30/19:

- (1): Full-Time eligible for full benefits (50% FTE or more OTRS match not required)
- (2): Full-Time eligible for full benefits (50% FTE or more OTRS match required)
- (3): Full-Time with Limited Benefits (50% FTE or more)
- (4): Employees without Core Benefits
- (5): Graduate Research/T.A.'s
- (6): Other Student Employees

Note: The State of Oklahoma requires all grants worked on by state employees to pay the State's portion of the Employees Defined Benefit Retirement Plan. At this time, the amount is 7.62% and is included in the Fringe Benefit Rate of the "Full-Time eligible for full benefits (50% FTE or more OTRS match required)".

ORGANIZATION: University of Oklahoma

AGREEMENT DATE: 6/4/2018

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

FRINGE BENEFITS:

FICA	Retirement
Worker's Compensation	Life Insurance
Health Insurance	Disability Insurance
Unemployment Insurance	Defined Contributions

The next fringe benefit rate proposal based on actual costs for the fiscal year ending 06/30/18 is due in our office by 12/31/18.

The next indirect cost rate proposal based on actual costs for the fiscal year ending 06/30/18 is due in our office by 12/31/18.

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.

