

### **University Controller (MC 0312)**

North End Center, Suite 3300, Virginia Tech 300 Turner Street NW Blacksburg, Virginia 24061 540-231-6418 Fax: 540-231-7221 www.co.vt.edu

TO: Virginia Tech Community of Research Administrators (VTCoRA)

FROM: Diana Alexander, Cost Accounting Manager

DATE: June 22, 2017

SUBJECT: FY18 Fixed and FY19 Provisional Fringe Benefits Rates

The Office of Naval Research has now finalized the fixed fringe benefit rates for FY18 and established provisional rates for FY19. Rates have continued to increase due to the rising costs of health insurance and VRS benefits paid on behalf of employees.

The chart below documents the fringe benefits rates to be applied in Banner for FY18. For consistency purposes, these rates also apply to the university cost sharing tracker system.

| Employee Category | FY18<br>Fixed<br>Rates | FY19<br>Provisional<br>Rates |
|-------------------|------------------------|------------------------------|
| Faculty           | 35.25%                 | 37.00%                       |
| Research Faculty  | 37.25%                 | 39.25%                       |
| Part Time Faculty | 26.75%                 | 28.50%                       |
| Classified        | 52.75%                 | 56.25%                       |
| Wages             | 7.50%                  | 7.75%                        |
| Graduate Students | 11.50%                 | 12.25%                       |



#### **DEPARTMENT OF THE NAVY**

OFFICE OF NAVAL RESEARCH 875 NORTH RANDOLPH STREET SUITE 1425 ARLINGTON, VA 22203-1995

IN REPLY REFER TO:

Agreement Date: June 19, 2017

[Supersedes Rate Agreement Dated: June 14, 2016]

#### **NEGOTIATION AGREEMENT**

# INSTITUTION: VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY BLACKSBURG, VIRGINIA 24061

The Fringe Benefits rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to Virginia Polytechnic Institute and State University by all Federal Agencies of the United States of America, in accordance with the cost principles mandated by 2 CFR Part 200. These rates shall be used for forward pricing and billing purposes for the Virginia Polytechnic Institute and State University Fiscal Years 2018 and 2019. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Years 2018 and 2019.

| <b>SECTION I: RATES - TYPE:</b> | FIXED (FIXED)      |  |
|---------------------------------|--------------------|--|
|                                 | PROVISIONAL (PROV) |  |

## Fringe Benefits Rates:

|             |        |           |        |      | *                   |             |  |
|-------------|--------|-----------|--------|------|---------------------|-------------|--|
| <u>TYPE</u> | FROM   | <u>TO</u> | RATE   | BASE | APPLICABLE EMPLOYEE | ACTIVITY    |  |
| FIXED       | 7/1/17 | 6/30/18   | 35.25% | (a)  | Regular Faculty     | All         |  |
| FIXED       | 7/1/17 | 6/30/18   | 37.25% | (a)  | Research Faculty    | All         |  |
| FIXED       | 7/1/17 | 6/30/18   | 26.75% | (a)  | Part Time Faculty   | All         |  |
| FIXED       | 7/1/17 | 6/30/18   | 52.75% | (a)  | Classified          | All         |  |
| FIXED       | 7/1/17 | 6/30/18   | 7.50%  | (a)  | Wages               | All         |  |
| FIXED       | 7/1/17 | 6/30/18   | 11.50% | (a)  | Graduate Student    | All         |  |
|             |        |           |        |      |                     |             |  |
| PROV        | 7/1/18 | 6/30/19   | 37.00% | (a)  | Regular Faculty     | All         |  |
| PROV        | 7/1/18 | 6/30/19   | 39.25% | (a)  | Research Faculty    | All         |  |
| PROV        | 7/1/18 | 6/30/19   | 28.50% | (a)  | Part Time Faculty   | <b>A1</b> 1 |  |
| PROV        | 7/1/18 | 6/30/19   | 56.25% | (a)  | Classified          | All         |  |
| PROV        | 7/1/18 | 6/30/19   | 7.75%  | (a)  | Wages               | <b>A</b> 11 |  |
| PROV        | 7/1/18 | 6/30/19   | 12.25% | (a)  | Graduate Student    | All         |  |
|             |        |           |        |      |                     |             |  |

## **DISTRIBUTION BASE**

(a) Salaries and Wages

# **SECTION II - GENERAL TERMS AND CONDITIONS**

- A. LIMITATIONS: Use of the rates set forth under Section I is subject to any statutory or administrative limitations and is applicable to a given grant, contract or other agreement only to the extent that funds are available and consistent with any and all limitations of cost clauses or provisions, if any, contained therein. Acceptance of the rates agreed to herein is predicated upon all of the following conditions: (1) that no costs other than those incurred by the recipient were included in this indirect cost pool as finally accepted and that such costs are legal obligations of the recipient and allowable under governing cost principles; (2) that the same costs that have been treated as indirect costs are not claimed as direct costs; (3) that similar types of costs have been accorded consistent accounting treatment; and (4) that the information provided by the recipient, which was used as the basis for acceptance of the rates agreed to herein and expressly relied upon by the Government in negotiating and accepting the said rates, is not subsequently found to be materially incomplete or inaccurate.
- B. ACCOUNTING CHANGES: The rates contained in Section I of this agreement are based on the accounting system in effect at the time the agreement was negotiated. Changes to the method(s) of accounting for costs which affect the amount of reimbursement resulting from the use of these rates require the written approval of the authorized representative of the cognizant negotiating agency for the Government prior to implementation of any such changes. Such changes include but are not limited to changes in the charging of a particular type of costs from indirect to direct. Failure to obtain such approval may result in subsequent cost disallowances.
- C. FIXED RATES WITH CARRY-FORWARD PROVISIONS: The fixed rates in this agreement are based on estimates of the costs for FY 2018. When actual costs for the period are determined, an adjustment will be made to the rates of a future year to recognize the difference between the FY 2018 estimated costs used to establish the fixed rates and the negotiated actual FY 2018 costs.
- D. CARRY FORWARD AMOUNTS: The following carry-forward amounts were considered in the establishment of the FY 2018 rates:

## Fiscal Year: 2016 Final CFW

| Regular Faculty   | (\$1,249,901) |  |  |
|-------------------|---------------|--|--|
| Research Faculty  | (\$748,422)   |  |  |
| Part Time Faculty | (\$1,203)     |  |  |
| Classified        | (\$1,284,602) |  |  |
| Wages             | (\$237,220)   |  |  |
| Graduate Student  | \$434,636     |  |  |

Note: ( ) denotes over-recovery

E. PROVISIONAL RATES: The provisional rates contained in this agreement are subject to unilateral amendment by the Government or bilateral amendment by the contracting parties at any time.

F. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I hereof were negotiated in accordance with and under the authority set forth in 2 CFR Part 200. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and other agreements to which 2 CFR Part 200 is applicable, subject to any limitations in part A of this section. Copies of this document may be provided by either party to other Federal agencies to provide such agencies with documentary notice of this agreement and its terms and conditions.

# Accepted:

FOR VIRGINIA POLYTECHNIC INSTITUTE and STATE UNIVERSITY:

FOR THE U.S. GOVERNMENT:

M. Dwight Shelton Jr.

Vice President for Finance and Chief Financial Officer Betty J. Tingle
Contracting Officer

Date

For information concerning this agreement contact:

Betty Tingle, Contract Specialist

Office of Naval Research

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