



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Service  
Division of Cost Allocation

DCA Western Field Office  
90 7<sup>th</sup> Street, Suite 4-600  
San Francisco, CA 94103

**JUN 26 2009**

Lynn Johnson, Director & University Controller  
Colorado State University  
Business and Financial Services  
6003 Campus Delivery  
Fort Collins, CO 80523-6003

Dear Ms. Johnson:

A copy of an indirect cost/fringe benefit Negotiation Agreement is attached. 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/fringe benefit costs on grants and contracts with the Federal Government. Please have the Agreement signed by a duly authorized representative of your organization and return it to me BY FAX, retaining the 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 and fringe benefit proposal together with supporting information are required to substantiate your claim for costs under grants and contracts awarded by the Federal Government. Thus, your next indirect cost based on your fiscal year ended June 30, 2008 is due in our office by September 30, 2009, and your next fringe benefit proposal based on your fiscal year ending June 30, 2009, is due in our office by December 31, 2009.

Sincerely,

A handwritten signature in cursive script that reads "Wallace Chan".

Wallace Chan  
Director

Attachment

**PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY FAX**

**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN #:

DATE: June 26, 2009

INSTITUTION:  
 Colorado State University  
 Business and Financial Services  
 202 Johnson Hall

FILING REF.: The preceding  
 Agreement was dated  
 May 19, 2008

Fort Collins CO 80523

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)

TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRED.	07/01/04	06/30/05	45.0	On-Campus	Org. Research (1)
PRED.	07/01/05	06/30/07	46.0	On-Campus	Org. Research (1)
PRED.	07/01/07	06/30/09	47.0	On-Campus	Org. Research (1)
PRED.	07/01/04	06/30/09	26.0	Off-Campus	Org. Research (1)
PRED.	07/01/04	06/30/09	64.3	On-Campus	Instruction (1)
PRED.	07/01/04	06/30/09	26.0	Off-Campus	Instruction (1)
PRED.	07/01/04	06/30/09	34.6	On-Campus	(A) (1)
PRED.	07/01/04	06/30/09	24.5	Off-Campus	(A) (1)
PRED.	07/01/04	06/30/09	36.3	On-Campus	(B) (2)
PRED.	07/01/04	06/30/05	26.0	Off-Campus	(B) (2)
PRED.	07/01/05	06/30/09	23.0	Off-Campus	(B) (2)
PRED.	10/01/05	06/30/09	8.0	Off-Campus	(C) (1)
PROV.	07/01/09	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2009.		

- (A) Other Sponsored Activities
- (B) State Forest Service
- (C) Intergovernmental Personnel Act Agreements

**\*BASE:**

(1) 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, 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.

(2) Same as (1) above except the cost of direct firefighter services obtained under contract and interagency agreements are excluded from the State Forest Service rate base.

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**SECTION I: FRINGE BENEFITS RATES\*\***

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
FIXED	07/01/09	06/30/10	25.1	All	Fac. & Prof. (1)
FIXED	07/01/09	06/30/10	27.7	All	State Classified
FIXED	07/01/09	06/30/10	0.6	All	Student Hourly
FIXED	07/01/09	06/30/10	14.2	All	Temporary (2)
FIXED	07/01/09	06/30/10	4.6	All	Temporary (3)

(1) Faculty/Professional and second plus year post docs and interns

(2) Temporary non-student hourly

(3) Temporary first-year faculty, administrative professionals, first year post docs and interns, all graduate students. This includes continuing temporary faculty and administrative professionals at less than 50% time.

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

Salaries and wages including vacation, holiday, sick leave pay and other paid absences.

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**SECTION II: SPECIAL REMARKS**

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**TREATMENT OF FRINGE BENEFITS:**

This organization uses a fringe benefit rate which is applied to salaries and wages for both budgeting and charging purposes for Federal projects.

**DEFINITION OF OFF-CAMPUS:** A project is considered off-campus if the activity is conducted at locations other than in University owned or operated facilities and indirect costs associated with physical plant and library are not considered applicable to the project.

For projects which include activities conducted at both on- and off-campus sites, the following criteria will determine costs to be allocated as off-campus: Must extend over a period of more than 120 consecutive days (or the duration of the project, if less than 120 days) at the off-campus site.

**DEFINITION OF EQUIPMENT**

Equipment is defined as tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

The following fringe benefits are included in the fringe benefit rate(s):

WORKERS COMPENSATION, MEDICAL/LIFE INSURANCE, DISABILITY INSURANCE, UNEMPLOYMENT INSURANCE, MEDICARE, RETIREMENT PERA/DCP, RETIREMENT TERMINATION PAY, EXCESS LEAVE, RETIREE HEALTH INSURANCE, AND EMPLOYEES TUITION (DOES NOT INCLUDE GRADUATE STUDENTS).

This rate agreement updates the fringe benefits only.

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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.

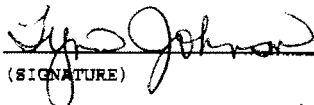
D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in 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.

BY THE INSTITUTION:

Colorado State University  
Business and Financial Services

(INSTITUTION)



(SIGNATURE)

LYNN JOHNSON

(NAME)

CONTROLLER

(TITLE)

6/29/09

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)



(SIGNATURE)

Wallace Chan

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION

(TITLE)

June 26, 2009

(DATE) 1001

HHS REPRESENTATIVE: Robert W. Lee

Telephone: (415) 437-7820