



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Portfolio  
Cost Allocation Services

1301 Young Street, Room 732  
Dallas, TX 75202  
PHONE: (214) 767-3261  
FAX: (214) 767-3264  
EMAIL: [CAS-Dallas@psc.hhs.gov](mailto:CAS-Dallas@psc.hhs.gov)

December 11, 2018

Mr. Terry Johnson  
Chief Financial Officer & Treasurer  
University of Iowa  
105 Jessup Hall  
Iowa City, IA 52242

Dear Mr. Johnson:

A copy of an indirect cost rate agreement is being sent to you for signature. This provisional 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 costs on grants and contracts with the Federal Government.

Please have the agreement signed by an authorized representative of your organization and return 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.

The Office of Management and Budget (OMB) has requested that we reach an agreement with each institution on components for the published F&A cost rates. The attached form(s) are provided for that purpose. Please sign the form(s) and return them with an agreement.

An indirect cost proposal, together with the supporting information, is required to substantiate your claim for indirect cost under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending 06/30/2021 is due in our office by 12/31/2021. Please submit your next proposal electronically via email to [CAS-Dallas@psc.hhs.gov](mailto:CAS-Dallas@psc.hhs.gov).

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,  
0.9.2342.1.9200300.100.1.1-2000212895  
Date: 2018.12.13 14:24:41 -0600

Enclosure

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY EMAIL

**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN: 1426004813A1

DATE:12/11/2018

ORGANIZATION:

FILING REF.: The preceding agreement was dated 02/02/2018

University of Iowa  
105 Jessup Hall  
Iowa City, IA 52242

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) |  |
|-------------------------|-------------|---------------|---------------------|-----------------------|--|
| <u>EFFECTIVE PERIOD</u> |             |               |                     |                       |  |
| <u>TYPE</u>             | <u>FROM</u> | <u>TO</u>     | <u>RATE (%)</u>     | <u>LOCATION</u>       | <u>APPLICABLE TO</u>   |
| PRED.                   | 07/01/2018  | 06/30/2019    | 52.50               | On Campus             | Organized Research   |
| PRED.                   | 07/01/2019  | 06/30/2022    | 54.50               | On Campus             | Organized Research   |
| PRED.                   | 07/01/2018  | 06/30/2022    | 45.00               | On Campus             | Instruction  |
| PRED.                   | 07/01/2018  | 06/30/2019    | 28.50               | On Campus             | Other Sponsored Activities   |
| PRED.                   | 07/01/2019  | 06/30/2022    | 25.00               | On Campus             | Other Sponsored Activities   |
| PRED.                   | 07/01/2018  | 06/30/2019    | 26.00               | Off Campus            | All Programs   |
| PRED.                   | 07/01/2019  | 06/30/2022    | 17.00               | Off Campus            | Other Sponsored Activities   |
| PRED.                   | 07/01/2019  | 06/30/2022    | 26.00               | Off Campus            | Org. Research & Instruction  |
| PROV.                   | 07/01/2022  | Until Amended |                     |                       | Use same rates and conditions as those cited for fiscal year ending June 30, 2022. |

ORGANIZATION: University of Iowa

AGREEMENT DATE: 12/11/2018

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\*BASE

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 Iowa

AGREEMENT DATE: 12/11/2018

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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 | 23.73           | All             | Clinical<br>Faculty   |
| FIXED       | 7/1/2017    | 6/30/2018 | 7.50            | All             | Fellows   |
| FIXED       | 7/1/2017    | 6/30/2018 | 23.00           | All             | Post Docs &<br>G.A.'s   |
| FIXED       | 7/1/2017    | 6/30/2018 | 29.00           | All             | Non-Clinical<br>Faculty   |
| FIXED       | 7/1/2017    | 6/30/2018 | 38.00           | All             | Professional &<br>Scientific  |
| FIXED       | 7/1/2017    | 6/30/2018 | 12.00           | All             | Temporary<br>Staff  |
| FIXED       | 7/1/2017    | 6/30/2018 | 4.30            | All             | Composite   |
| FIXED       | 7/1/2018    | 6/30/2019 | 22.60           | All             | Clinical<br>Faculty   |
| FIXED       | 7/1/2018    | 6/30/2019 | 7.40            | All             | Fellows   |
| FIXED       | 7/1/2018    | 6/30/2019 | 18.50           | All             | Post Docs &<br>G.A.'s   |
| FIXED       | 7/1/2018    | 6/30/2019 | 29.90           | All             | Non-Clinical<br>Faculty   |
| FIXED       | 7/1/2018    | 6/30/2019 | 39.00           | All             | Professional &<br>Scientific  |
| FIXED       | 7/1/2018    | 6/30/2019 | 12.20           | All             | Temporary<br>Staff  |
| FIXED       | 7/1/2018    | 6/30/2019 | 4.00            | All             | Composite   |
| PROV.       | 7/1/2019    | 6/30/2021 |                 |                 | Use same rates<br>and conditions<br>as those cited<br>for fiscal<br>year ending<br>June 30, 2019. |

\*\* DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

ORGANIZATION: University of Iowa

AGREEMENT DATE: 12/11/2018

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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. 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:

|                      |   |
|----------------------|---|
| FICA                 | Post Employment Retirement Benefit        |
| Disability Insurance | Worker's Compensation                     |
| Life Insurance       | Unemployment Insurance                    |
| Health Insurance     | Dental Insurance                          |
| Death Benefit        | Waiver of TIAA/CREF Retirement Premium    |
| Dividend Allocation  | Early Retirement Incentive Program        |
| Retirement           | Vacation & Sick Leave Termination Payouts |

The next fringe benefit rate proposal based on actual costs for the fiscal year ending June 30, 2018 is due in our office by December 31, 2018. The next indirect cost rate proposal based on actual costs for the fiscal year ending June 30, 2021 is due in our office by December 31, 2021.

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.

ORGANIZATION: University of Iowa

AGREEMENT DATE: 12/11/2018

**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:**

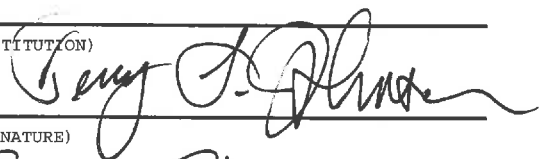
The rates in this Agreement were approved in accordance with the authority in Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200), and should be applied to grants, contracts and other agreements covered by 2 CFR 200, subject to any limitations in A above. The organization may provide copies 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:

University of Iowa

\_\_\_\_\_  
(INSTITUTION)  


\_\_\_\_\_  
(SIGNATURE)  
Terry L. Johnson

\_\_\_\_\_  
(NAME)  
CFO & Treasurer

\_\_\_\_\_  
(TITLE)  
12/14/2018

\_\_\_\_\_  
(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

\_\_\_\_\_  
(AGENCY)  
Arif M. Karim -S  
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DN: c=US, o=U.S. Government, ou=HHS, ou=PSC,  
ou=People, cn=Arif M. Karim -S,  
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Date: 2018.12.13 14:29:06 -06'00'

\_\_\_\_\_  
(SIGNATURE)  
Arif Karim

\_\_\_\_\_  
(NAME)  
Director, Cost Allocation Services

\_\_\_\_\_  
(TITLE)  
12/11/2018

\_\_\_\_\_  
(DATE) 7045

HHS REPRESENTATIVE: Theodore Foster

Telephone: (214) 767-3261

## COMPONENTS OF PUBLISHED F&A COST RATE

**INSTITUTION:** University of Iowa  
**FY COVERED BY RATE:** JULY 1, 2018 through JUNE 30, 2022  
**APPLICABLE TO:** ORGANIZED RESEARCH

| <u>RATE COMPONENT:</u>  | <u>FY 2019<br/>ON CAMPUS</u> | <u>FY 20 - 22<br/>ON CAMPUS</u> |
|-------------------------|------------------------------|---------------------------------|
| Building Depreciation   | 4.0                          | 4.2                             |
| Equipment Depreciation  | 1.8                          | 1.6                             |
| Interest                | 1.8                          | 0.7                             |
| Operation & Maintenance | 16.0                         | 18.0                            |
| Library                 | 2.9                          | 3.1                             |
| Utility Cost Allowance  | 0.0                          | 0.9                             |
| Administration*         | <u>26.0</u>                  | <u>26.0</u>                     |
| <b>TOTAL</b>            | <u><u>52.5</u></u>           | <u><u>54.5</u></u>              |

\* Reflects provisions of Appendix III to Part 200 of Uniform Guidance—Indirect (F&A) Costs Identification and Assignment, and Rate Determination for Institutions of Higher Education (IHEs), C.8. dated December 26, 2013.

**CONCURRENCE:**

University of Iowa

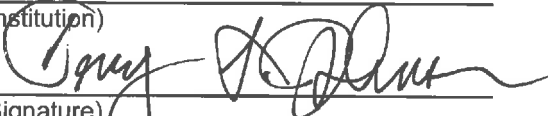
(Institution)

(Signature)

(Name)

(Title)

(Date)

  
 Terry C. Johnson  
 CFO & Treasurer  
 12/14/2018