



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

26 Federal Plaza, Room 3412
New York, NY 10278
PHONE: (212) 264-2069
EMAIL: CAS-NY@psc.hhs.gov

July 12, 2016

Ms. Carolyn Ainslie
Vice President of Finance & Treasurer
Princeton University
5 New South Building, P.O. Box 5292
Princeton, New Jersey 08544-5292

Dear Ms. Ainslie:

A negotiation agreement is being sent to you for signature. This agreement reflects an understanding reached between your institution and a member of my staff concerning the rates or amounts that may be used to support your claim for costs on grants and contracts with the Federal Government. The agreement must be signed by a duly authorized representative of your institution and email to me; retain a copy for your file. We will reproduce and distribute the agreement to awarding agencies of the Federal Government for their use.

Requirements for adjustments to costs claimed under Federal Grants and Contracts resulting from this negotiation are dependent upon the type of rate contained in the negotiation agreement. Information relating to these requirements is enclosed.

In consideration of this negotiation, the following was agreed to:

1. The cumulative carry-forward over-recovery of (\$3,803,750) resulting from the settlement of the University Benefit Pool fringe benefit rate for the year ended June 30, 2015 will be taken into consideration in computing the actual fringe benefit rate for the fiscal year ending June 30, 2017.
2. The cumulative carry-forward over-recovery of (\$3,201,560) resulting from the settlement of the Academic Add-On Pool fringe benefit rate for the year ended June 30, 2015 will be taken into consideration in computing the actual fringe benefit rate for the fiscal year ending June 30, 2017.
3. A fringe benefit proposal based on actual costs for fiscal year ending June 30, 2016 is due by December 31, 2016.

Ms. Carolyn Ainslie

-2-

July 12, 2016

An indirect cost proposal, together with the supporting information, is required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending 06/30/2016 is due in our office by 12/31/2016. Please submit your next proposal electronically via email to CAS-NY@psc.hhs.gov.

In addition, please acknowledge your concurrence with the comments and conditions cited above by signing this letter in the space provided below and email it to me with the enclosed negotiation agreement.

Sincerely,
Darryl W.
Mayes -A

Digitally signed by Darryl W. Mayes -A
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ou=HHS, ou=PSC, ou=People,
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Date: 2016.07.15 10:59:36 -0400'

Darryl W. Mayes
Deputy Director
Cost Allocation Services

Enclosures

Concurrence:

Carolyn V. Ainslie

Name

VP for Finance + Treasurer

Title

7/19/16

Date

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1210634501A1

DATE: 07/13/2016

ORGANIZATION:

FILING REF.: The preceding agreement was dated 10/09/2015

Princeton University
701 Carnegie Center, 436
Princeton, NJ 08540

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.	07/01/2016	06/30/2017	62.00	On-Campus	Research
PRED.	07/01/2016	06/30/2017	26.00	Off-Campus	Research
PROV.	07/01/2017	Until Amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2017.

*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: Princeton University

AGREEMENT DATE: 7/13/2016

SECTION I: FRINGE BENEFIT RATES**

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FIXED	7/1/2016	6/30/2017	28.20	(1)	Regular Employees
FIXED	7/1/2016	6/30/2017	33.30	(2)	Regular Employees
PROV.	7/1/2017	Until amended	28.90	(1)	Regular Employees
PROV.	7/1/2017	Until amended	35.00	(2)	Regular Employees

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

Salaries, and wages of faculty and staff including vacation, holiday and sick leave pay and other paid absences of only the faculty and staff. Rate does not apply to student employees, research or teaching assistants.

(1) The rate is applicable to all Administrative Officers, Departments, the Library and other University Services.

(2) The rate is applicable to Academic Departments and Programs.

ORGANIZATION: Princeton University

AGREEMENT DATE: 7/13/2016

SECTION II: SPECIAL REMARKS

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.

1. The indirect cost rates are not applicable to charges for centralized University Services such as Computer Center, Utility Plant, Printing and Duplicating Shops, and Food Services.
2. For all activities performed in facilities not owned by the institution and/or 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.
3. Fringe Benefits: Annual fringe benefits rates consisting of Retirement Expenses, FICA, Life Insurance, Health Insurance, Staff Educational Assistance, Childcare Support, Worker's Compensation, Disability Insurance, Unemployment, Cafeteria Subsidy, and Expense Account for Administrative costs, shall apply to direct salaries and wages in lieu of individual direct charges.
4. Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit.
5. The indirect cost and fringe benefit rates in this agreement are not applicable to the Princeton Plasma Physics Laboratory. Consistent with provisions of the Department of Energy Contract DE-AC02-76CH03073, DOE negotiates separate rates and amounts.

Your next proposal based on actual costs for the fiscal year ending 06/30/16 is due in our office by 12/31/16.

This rate agreement updates fringe benefits rates only.

ORGANIZATION: Princeton University

AGREEMENT DATE: 7/13/2016

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:

Princeton University

(INSTITUTION)

Carolyn N. Ainslie

(SIGNATURE)

Carolyn N. Ainslie

(NAME) **Vice President for Finance and Treasurer**

(TITLE)

7/19/16

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Darryl W. Mayes -A
Digital signed by Darryl W. Mayes -A
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ou=People, o=2342.19200100.190.1.1-2000131669,
cn=Darryl W. Mayes -A
Date: 2016.07.15 10:58:28 -0400

(SIGNATURE)

Darryl W. Mayes

(NAME)

Deputy Director, Cost Allocation Services

(TITLE)

7/13/2016

(DATE) 0925

HHS REPRESENTATIVE: **Louis Martillotti**

Telephone: **(212) 264-2069**