

**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN #: 1946002123A1

DATE: June 23, 1999

INSTITUTION:  
University of California  
Berkeley Campus

FILING REF.: The preceding  
Agreement was dated  
August 21, 1998

CA

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.

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**SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES\***

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

TYPE	EFFECTIVE PERIOD		RATE(%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRED.	07/01/98	06/30/01	50.4	On-Campus	Sponsored Research
PRED.	07/01/98	06/30/01	26.0	Off-Campus	Sponsored Research
PRED.	07/01/98	06/30/01	46.5	On-Campus	Instruction
PRED.	07/01/98	06/30/01	26.0	Off-Campus	Instruction
PRED.	07/01/98	06/30/01	35.4	On-Campus	Other Sponsored Act.
PRED.	07/01/98	06/30/01	21.7	Off-Campus	Other Sponsored Act.
PRED.	07/01/98	06/30/99	36.4	On-Campus	Space Sci Lab (Res)
PRED.	07/01/99	06/30/01	39.4	On-Campus	Space Sci Lab (Res)
PRED.	07/01/98	06/30/01	17.7	Off-Campus	Space Sci Lab (Res)
PROV.	07/01/01	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2001.		

\*BASE:  
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.

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SECTION II: SPECIAL REMARKS

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TREATMENT OF FRINGE BENEFITS:

This organization charges the actual cost of each fringe benefit direct to Federal projects. However, it uses a fringe benefit rate which is applied to salaries and wages in budgeting fringe benefit costs under project proposals. The fringe benefits listed below are treated as direct costs.

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 for the costs of these paid absences are not made.

DEFINITION OF EQUIPMENT

Effective July 1, 1999, equipment is defined as tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$1,500 or more per unit.

DEFINITION OF ON-CAMPUS, OFF-CAMPUS AND SPECIAL RATES

DEFINITION OF OFF-CAMPUS RATE

The off-campus rate is applicable to those projects conducted at facilities not owned or leased by the University. However, if the project is conducted in leased space and lease costs are directly charged to the project, then the off-campus rate must be used.

PROJECTS CONDUCTED ENTIRELY ON-CAMPUS OR ENTIRELY OFF-CAMPUS:

Projects conducted entirely on-campus or entirely off-campus will be applied the on-campus or off-campus rate respectively.

PROJECTS CONDUCTED PARTIALLY OFF-CAMPUS AND PARTIALLY ON-CAMPUS:

If the project involves work at both on-campus and off-campus sites, either the on-campus or off-campus rate generally should be applied, consistent with where the majority of the work is to be performed. Salary cost is generally accepted as a measure of work performed in terms of the total project.

USE OF BOTH ON-CAMPUS AND OFF-CAMPUS RATES

The use of both on-campus and off-campus rates for a given project may be justified if both of the respective rates can clearly be identified with a significant portion of salaries and wages of the project. For purposes of this provision, significant is defined as approximately 25% or more of the total costs and a project's total salary and wage costs exceed \$250,000.

OTHER SPECIAL RATES

These rates apply only to the facility or program to which they are identified. If any additional special rates become necessary the establishment of such rates should be coordinated through the cognizant negotiation agency.

The following fringe benefits are treated as direct costs:

FICA, WORKERS COMPENSATION, HEALTH PLAN CONTRIBUTION, RETIREMENT SYSTEM CONTRIBUTION, DISABILITY INSURANCE, LIFE INSURANCE, UNEMPLOYMENT INSURANCE, AND DENTAL PLAN CONTRIBUTION.

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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:

University of California  
Berkeley Campus

(INSTITUTION)

*V. Wayne Kennedy*

(SIGNATURE)

V. WAYNE KENNEDY

(NAME)

SENIOR VICE PRESIDENT BUSINESS & FINANCE

(TITLE)

7/29/99

(DATE)

BY THE COGNIZANT AGENCY

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

*David S. Low*

(SIGNATURE)

David S. Low

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION

(TITLE)

June 23, 1999

(DATE) 0232

HHS REPRESENTATIVE: John Gallagher

Telephone: (415) 437-7820

**UNIVERSITY OF CALIFORNIA, BERKELEY  
FACILITIES AND ADMINISTRATIVE COST RATES FOR THE PERIOD**

JULY 1, 1998 THROUGH JUNE 30, 1999

	SPONSORED RESEARCH		INSTRUCTION		OTHER SPONSORED ACTIVITIES		SPACE SCIENCE LAB	
	On-Campus	Off-Campus	On-Campus	Off-Campus	On-Campus	Off-Campus	On-Campus	Off-Campus
BUILDING	5.2%		1.2%		0.5%		0.9%	
EQUIPMENT	4.7%		1.7%		1.8%		2.3%	
OPERATION & MAINT	13.0%		11.3%		6.8%		13.7%	
LIBRARY	1.5%		6.3%		4.6%		1.8%	
GENERAL ADMIN	5.3%		6.0%		4.7%		5.5%	
DEPT ADMIN	18.1%		16.7%		12.5%		9.1%	
SPON PROJ ADMIN	2.6%		3.3%		3.4%		3.1%	
STUDENT SERV ADMIN	0.0%		5.4%		1.1%		0.0%	
ADMIN COMPONENTS	26.0%	26.0%	31.4%	26.0%	21.7%	21.7%	17.7%	17.7%
<b>TOTAL</b>	<b>50.4%</b>	<b>26.0%</b>	<b>46.5%</b>	<b>26.0%</b>	<b>35.4%</b>	<b>21.7%</b>	<b>36.4%</b>	<b>17.7%</b>

JULY 1, 1999 THROUGH JUNE 30, 2001

	SPONSORED RESEARCH		INSTRUCTION		OTHER SPONSORED ACTIVITIES		SPACE SCIENCE LAB	
	On-Campus	Off-Campus	On-Campus	Off-Campus	On-Campus	Off-Campus	On-Campus	Off-Campus
BUILDING	5.2%		1.2%		0.5%		3.9%	
EQUIPMENT	4.7%		1.7%		1.8%		2.3%	
OPERATION & MAINT	13.0%		11.3%		6.8%		13.7%	
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STUDENT SERV ADMIN	0.0%		5.4%		1.1%		0.0%	
ADMIN COMPONENTS	26.0%	26.0%	31.4%	26.0%	21.7%	21.7%	17.7%	17.7%
<b>TOTAL</b>	<b>50.4%</b>	<b>26.0%</b>	<b>46.5%</b>	<b>26.0%</b>	<b>35.4%</b>	<b>21.7%</b>	<b>39.4%</b>	<b>17.7%</b>

ADMINISTRATIVE COMPONENTS ARE CAPPED AT 26.0% IN ACCORDANCE WITH OMB A-21, DATED JULY 26, 1993.

CONCUR.

V. Wayne Kennedy  
(SIGNATURE)

Senior Vice President - Business & Finance  
TITLE

10/19/98  
DATE