



DEPARTMENT OF THE NAVY

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

IN REPLY REFER TO:

NEGOTIATION AGREEMENT PROVISIONAL FRINGE BENEFIT RATES

INSTITUTION: UNIVERSITY OF ALASKA
207B BUTROVICH BUILDING
FAIRBANKS, AK 99775-5120

The Fringe Benefits rates contained herein are for use on all grants, contracts, and/or other agreements issued or awarded to the University of Alaska by all Federal agencies of the United States of America in accordance with the cost principles mandated by 2 CFR Part 220 -- formerly Office of Management and Budget (OMB) Circular A-21. These rates shall be used for forward pricing and billing purposes at the University of Alaska beginning with Fiscal Year (FY) 2008. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2008.

SECTION I: RATES – TYPE: PROVISIONAL (PROV)

TYPE	FROM	TO	RATE		Employment Category
			Staff Benefits Base (a)	Leave Benefits Base (b)	
PROV	7/1/07	Until Amended	65.3%	21.0%	Classified
PROV	7/1/07	Until Amended	72.0%	22.4%	Classified, AHECTE ¹
PROV	7/1/07	Until Amended	55.6%	20.2%	APT ² Exempt
PROV	7/1/07	Until Amended	47.5%	18.1%	Executive
PROV	7/1/07	Until Amended	47.5%	18.1%	Non-Union Faculty (12 mo.)
PROV	7/1/07	Until Amended	47.5%	1.1%	Non-Union Faculty (<12 mo.)
PROV	7/1/07	Until Amended	65.2%	1.4%	UNAC ³ Faculty
PROV	7/1/07	Until Amended	69.5%	1.6%	ACCFT ⁴ Faculty
PROV	7/1/07	Until Amended	9.5%	0.0%	Adjunct Faculty
PROV	7/1/07	Until Amended	8.5%	0.0%	Temporary
PROV	7/1/07	Until Amended	50.0%	14.3%	Extended Temporary
PROV	7/1/07	Until Amended	0.0%	0.0%	Student

Notes:

¹ Alaska Higher Education Crafts and Trade Employees

² Administrative/Professional/Technical

³ United Academics

⁴ Alaska Community College's Federation of Teachers

DISTRIBUTION BASES

The following bases are applicable to the above cited rates:

- (a) Staff benefits rates are applied to base salaries plus overtime, miscellaneous pay and leave accrual provisions.
- (b) Leave benefit rates are applied to base salaries, excluding: overtime, miscellaneous pay and paid leave.

SECTION II – GENERAL

A. LIMITATIONS: Use of the rates set forth under Section I is expressly 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 the following conditions: (1) that no costs other than those incurred by the grantee/contractor were included in its indirect cost pool as finally accepted and that all such costs are legal obligations of the grantee/contractor and allowable under the governing and applicable 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 contractor/grantee, which was used as the basis for the acceptance of the rate 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 this 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 requires the prior approval of the authorized representative of the cognizant negotiation agency prior to implementation of any such changes. Such changes include but are not limited to changes in the charging of a particular type of cost from indirect to direct. Failure to obtain such approval may result in subsequent cost disallowance.

C. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I were negotiated in accordance with and under the authority set forth in 2 CFR Part 220 -- formerly OMB Circular A-21. Accordingly, such rate shall be applied to the extent provided in such Circular to grants, contracts and other agreements to which 2 CFR Part 220 applies, subject to any limitations in part A of this section. Copies of this document may be provided by either party to other federal agencies which have or intend to issue or award sponsored agreements using this rate or to otherwise provide such agencies with documentary notice of this agreement and its terms and conditions.

D. **PROVISIONAL RATE:** 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.

E. **SPECIAL REMARKS:** The purpose of this agreement is to establish provisional fringe benefits rates for the period 01 July 2007 until amended. These rates are based on the University of Alaska's proposal, dated 26 October 2006, and the establishment of these rates by the Government based on the accounting systems and allocation methodologies contained in this proposal does not represent an agreement that these systems and methodologies are accepted for Fiscal Year 2008 or for any subsequent fiscal year's rate negotiations. The recommendations of the Defense Contract Audit Agency, Pacific Branch Office - Alaska Suboffice, in Audit Report #4201-2006B23000007 dated 03 November 2006 were considered in the negotiation of these rates.

Acceptance:

FOR THE UNIVERSITY OF ALASKA:

FOR THE GOVERNMENT:


JOSEPH TRUBACZ
Chief Financial Officer


DEBORAH K. RAFI
Contracting Officer

Date: 2/09/07

Date: 2/12/07

*For information concerning
this agreement contact:*

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