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Date: May 10, 2018

To: Beverly Cotton Shuford, Kari Burrell, Michael Ciri, Myron Dosch

From: Tanya Hollis 

Re: FY19 Fringe Benefit Forward Pricing Proposal

Attached is the FY19 Fringe Benefit Forward Pricing Proposal Report submitted to UA's cognizant agency, Office of Naval Research (ONR). Although these rates have been submitted, they have not been audited. We anticipate receiving a provisional negotiated agreement from ONR in the near future, which may include adjustments to these rates. We will let you know of any such adjustments.

The following table summarizes the proposed fringe benefit rates for FY19 for the University of Alaska System. Also listed are the FY18 negotiated rates for comparison purposes.

E-Class	<u>Leave Benefit Rates (1)</u>		<u>Staff Benefit Rates (2)</u>	
	FY18	FY19	FY18	FY19
	Negotiated Benefit Rates	Proposed Benefit Rates	Negotiated Benefit Rates	Proposed Benefit Rates
NR	24.00%	23.70%	51.90%	45.90%
CR	24.30%	22.70%	52.30%	39.80%
XR	23.80%	23.00%	42.30%	37.80%
EX, FR	19.90%	21.70%	28.00%	28.10%
FN	3.10%	10.10%	28.00%	28.10%
F9	10.30%	16.50%	31.10%	30.40%
A9	10.80%	n/a	34.30%	n/a
FT, FW	0.00%	0.00%	8.70%	4.40%
CT, GT, NT, ST, XT	0.00%	0.00%	8.60%	6.70%
NX, XX	0.00%	1.60%	31.60%	22.30%
GN, SN	0.00%	0.00%	0.00%	0.00%

(1) Distribution base: Leave rates are applied to base salaries excluding overtime, miscellaneous pay, and paid leave.

(2) Distribution base: Staff benefit rates are applied to base salaries plus overtime, miscellaneous pay, and leave accrual provisions.

cc: Nichole Pittman, Michelle Rizk, Keli McGee, Erika Van Flein, Julie Queen, Sandra Culver, Jason Theis, Kelly Thorngren, Julie Vigil, Debbie Carlson, Alesia Kruckenberg, Tara Ferguson, Michelle Pope

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May 10, 2018

Ms. Shea Kersey
Office of Naval Research
Code BD0242, Rm. 368
875 N. Randolph Street
Arlington, VA 22203

RE: University of Alaska FY19 Fringe Benefit Forward Pricing Proposal

Dear Ms. Kersey:

This memorandum and enclosed attachments represent the University of Alaska's proposal to establish fixed with carry-forward fringe benefit rates for the period of July 1, 2018 through June 30, 2019 (FY19).

The FY19 proposal includes the same fringe benefits as those included in recent fringe benefit forward pricing proposals. This proposal fully liquidates the FY17 staff benefit over recovery carry-forward of \$12,574,455, the leave benefit under recovery carry-forward \$2,109,970, and the remaining FY16 leave benefit over recovery carry-forward of \$26,000 for the Extended Temporary (NX, XX) job group.

Other significant highlights regarding the FY19 projections include the merger of UAFT (A9) and UNAC (F9) bargaining units and the decrease in health care costs.

- On April 11, 2018, the Alaska Labor Relations Agency approved a complete merger of UAFT (A9) into UNAC (F9) effective May 13, 2018. As a result, there is no A9 rate proposed for FY19.
- Health care is projected to decrease approximately \$3.9 million from FY18 projections.

The following table summarizes the fringe benefit rates proposed for FY19 for the University of Alaska System. Also listed are the FY18 negotiated rates for comparison purposes.

	<u>Leave Benefit Rates (1)</u>		<u>Staff Benefit Rates (2)</u>	
	FY18 Negotiated Benefit Rates	FY19 Proposed Benefit Rates	FY18 Negotiated Benefit Rates	FY19 Proposed Benefit Rates
E-Class				
NR	24.00%	23.70%	51.90%	45.90%
CR	24.30%	22.70%	52.30%	39.80%
XR	23.80%	23.00%	42.30%	37.80%
EX, FR	19.90%	21.70%	28.00%	28.10%
FN	3.10%	10.10%	28.00%	28.10%
F9	10.30%	16.50%	31.10%	30.40%
A9	10.80%	n/a	34.30%	n/a
FT, FW	0.00%	0.00%	8.70%	4.40%
CT, GT, NT, ST, XT	0.00%	0.00%	8.60%	6.70%
NX, XX	0.00%	1.60%	31.60%	22.30%

(1) Distribution base: Leave rates are applied to base salaries excluding overtime, miscellaneous pay, and paid leave.

(2) Distribution base: Staff benefit rates are applied to base salaries plus overtime, miscellaneous pay, and leave accrual provisions.

Ms. Kersey
May 10, 2018
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We are seeking to have new rates in effect for our first payroll in July 2018. We appreciate any assistance you can provide to help complete negotiations prior to that time. In the event that a final agreement will not be likely by July 1, 2018, we request that these proposed rates be provisional rates. This would help avoid potential billing adjustments on activity between July 1 and the date of the final agreement. Please let me know if there is anything we can do to facilitate the audit and negotiation process.

Please contact me if you have any questions or if you need additional information. Thanks for your consideration of this proposal.

Sincerely,



Myron J. Dosch

MJD/TLH/cdo

Attachment A – (3) Significant Assumptions

Attachment B – (4) Rate Schedules

Attachment C – (2) Certifications

cc: Beth Synder, ONR (one copy)
Jonathon Wood, DCAA, Alaska Sub-Office (one copy)
Sandra Thomson, ONR Seattle Regional Office (one copy)

1. On April 11, 2018, the Alaska Labor Relations Agency approved a complete merger of UAFT (A9) into UNAC (F9) effective May 13, 2018. As of July 1, 2018, the UAFT (A9) e-class will cease to exist.
2. Wages for FY19 are based on updated estimates of projected FY18 wages and incremented for salary and grid increases and are rounded to the nearest hundred for projection purposes.

Annual salary and/or grid increases are projected for eligible e-classes as follows:

- Classified, exempt and non-exempt staff (e-classes NR, XR) – 0%
- Temporary exempt and non-exempt staff (e-classes NT, XT, NX, XX) – 0%
- Executive employees (e-classes EX) – 0%
- Non-union faculty (e-classes FR, FN) – 0%
- UNAC faculty (e-class F9) – 0%
- Adjunct faculty (e-classes FT, FW) – 0%
- Local 6070 Union employees (e-classes CR, CT) – 0%

Step or other increases are projected for eligible e-classes as follows:

- The F9 e-classes will receive a one time market adjustment to increase salaries to the salary minimums
- The FR e-class will receive a 0.4% market adjustment for the fiscal year.
- The ST and SN e-classes will receive a step increase to bring wages below the State's minimum wage to the current minimum wage of \$9.84.

Other projected changes as follows:

- Summer assignment/overload earnings codes no longer accrue staff benefit annual leave, sick leave, or holiday leave charges but are subject to staff benefit charges. For FY19 projections, summer assignment/overload earnings codes are excluded from the leave benefit wage base and included in the staff benefit wage base.

3. Leave usage is projected using average rates calculated by e-class. Use of average rates is intended to smooth individual year usage fluctuations. A three year average was used for all e-classes using FY16 and FY17 actual leave usage combined with FY18 estimated leave usage. The leave usage projections were adjusted for inclusion of annual leave cash-in (NR, CR, XR, and EX, FR e-classes), faculty time-off cash-in (F9) and personal holiday leave for e-classes (CR, XR, EX, and FR). Additionally, in FY17 annual leave and holiday/other leave was discontinued for extended temporary employees (NX, XX e-classes), therefore the remaining carryforward \$(26,000) is reclassified to offset sick leave costs.

As of October 30, 2017, all classified, non-exempt and exempt staff (NR and XR), Executive (EX) and non represented 12-month faculty (FR) employees can cash-in up to 40 hours of annual leave. The UNAC (F9) Collective Bargaining Agreement for 2017- 2019 allows faculty time-off (FTO) cash-in provided the faculty use a minimum of five days of Faculty Time-Off. UA anticipates an increase in use after the UNAC and UAFT collective bargaining units merge and the former UAFT members become eligible for the benefit. Effective FY18, e-classes CR, XR, EX, and FR are eligible for personal holiday leave, therefore, an adjustment was made to holiday leave usage.

4. Beginning July 01, 2006, UA has two public employee retirement system (PERS) plans. The public employee retirement system defined benefit (PERS-DB) plan is restricted to eligible employees with an original hire date prior to July 1, 2006. Eligible employees hired on July 1, 2006 or later may enroll in the public employee retirement system defined contribution (PERS-DC) plan.

Effective July 01, 2015, the non-exempt and exempt staff (e-classes NR, XR) employees and Local 6070 Union employees (e-class CR) are no longer eligible to participate in ORP Tier 3 retirement plan unless they were grandfathered in from previous employment. New employees will be eligible for PERS-DC with Pension.

Effective July 01, 2007, the PERS-DC employer contribution amount per employee, must calculate to at least the PERS-DB rate. The calculated contribution beyond the PERS-DC rate is applied to the State of Alaska PERS-DB unfunded liability. The PERS-DB and PERS-DC rates are 22.00% and 6.20% respectively; rates are established or projected by the State of Alaska, Division of Retirement.

Effective July 01, 2007, in addition to the minimum employer contribution for the PERS-DC plan, the statute also established a minimum PERS base salary for the UA System requiring the total fiscal year PERS covered wages to meet the FY08 Base Salary. The FY19 PERS covered wages were lower than the FY08 Base Salary, therefore, an additional contribution is calculated at the PERS-DB contribution rate.

The FY19 estimated covered wages were calculated by multiplying the percentage of FY18 estimated earnings subject to this benefit by the FY19 projected staff benefit wage base. The FY19 projected contribution rates were applied to the FY19 estimated covered wages to project the FY19 employer contribution by e-class.

5. Beginning in July 01, 2006, UA has two teacher's retirement system (TRS) plans. The teacher's retirement system defined benefit (TRS-DB) plan is restricted to eligible employees with an original hire date prior to July 1, 2006. Eligible employees with an original hire date of July 1, 2006 or later may enroll in the teacher's retirement system defined contribution (TRS-DC) plan or the optional retirement plan, ORP-Tier 3. Effective July 01, 2007, the TRS-DC employer contribution amount per employee, must calculate to at least the TRS-DB rate. The calculated contribution beyond the TRS-DC rate is applied to the State of Alaska TRS-DB unfunded liability. The TRS-DB and TRS-DC rates are 12.56% and 7.87% respectively; rates are established or projected by the State of Alaska, Division of Retirement. The FY19 estimated covered wages were calculated by multiplying the percentage of FY18 estimated earnings subject to this benefit by the FY19 projected staff benefit wage base. The FY19 projected contribution rates were applied to the FY19 estimated covered wages to project the FY19 employer contribution by e-class.
6. Effective July 01, 2006, UA has three separate optional retirement plans, ORP-Tier 1, ORP-Tier 2, and ORP-Tier 3. The ORP-Tier 1 plan is for eligible employees with an original hire date prior to July 1, 2005. The University Board of Regents established ORP-Tier 2, for eligible employees with an original hire date during FY06. The University Board of Regents also established a third optional retirement plan with an expanded employee eligibility criteria, ORP-Tier 3. It is available to all retirement eligible employees with an original hire date between July 1, 2006 and June 30, 2015. Effective July 01, 2015, non-exempt and exempt staff (e-classes NR, XR) employees and Local 6070 Union employees (e-class CR) can no longer elect to participate in ORP Tier 3 retirement plan unless they were grandfathered in from previous employment. The ORP-Tier 1 rate is 14.0%. The ORP-Tier 2 and ORP-Tier 3 rates are 12.0%. The FY19 estimated covered wages were calculated by multiplying the percentage of FY18 estimated earnings subject to this benefit by the FY19 projected staff benefit wage base. The FY19 projected contribution rates were applied to the FY19 estimated covered wages to project the FY19 employer contribution by e-class.

7. Pension costs are estimated at 7.65% of covered wages below \$42,000 for regular employees and \$128,400 for eligible adjunct faculty. Effective July 01, 2015, new employees electing PERS-DC and TRS-DC plans will be eligible for Pension. The FY19 estimated covered wages were calculated by multiplying the percentage of FY18 estimated earnings subject to this benefit by the FY19 projected staff benefit wage base. The FY19 projected contribution rates were applied to the FY19 estimated covered wages to project the FY19 employer contribution by e-class.
8. Medicare costs are projected at 1.45% of covered wages for all employees hired after April 1986. Social security is estimated at 6.2% of covered wages below \$128,400 for adjunct faculty and temporary e-classes. All new adjunct faculty will contribute to social security, not pension. The FY19 estimated covered wages were calculated by multiplying the percentage of FY17 earnings subject to this benefit by the FY19 projected staff benefit wage base. The FY18 contribution rates were applied to the FY19 estimated covered wages to project the FY19 employer contribution by e-class.
9. Health care costs are estimated at projected usage levels less projected recoveries. All benefit eligible e-classes pay for spouse/dependent health coverage if elected. The current plan offers employees flexible benefit options and matches the employee contributions with current year costs. Projected health care costs net of cobra recoveries are allocated to health care eligible e-classes based on projected plan participants, including Cobra, and excluding opt-outs. Employee and spouse/dependent recoveries are allocated to all projected health care eligible employees, including Cobra, and excluding opt-outs. Cobra recipients may use online wellness services; however, they are not eligible to receive the Wellness rebate.
10. Life insurance administrative costs are estimated at \$0.030/\$1,000 of the insured amount. Allocation to individual e-classes is based on the number of employee participants in each eligible e-class.
11. Long term disability insurance (LTD) costs are \$0.248 per \$100 of covered payroll. Benefits begin after a 90 day waiting period. LTD costs are allocated to e-classes prorata based on the staff benefit wage base.
12. Unemployment is projected using a four year average, excluding the low year. Allocated to e-classes prorata based on the staff benefit wage base.
13. The FY19 Worker's Compensation claim costs were projected using a ten year average of actual claims costs. The premiums are projected based on FY18 actual premiums. Additional operational costs and professional fees are projected based on salary increments and trend percentages. Workers' Compensation is allocated based on employee headcount.
14. Employee tuition remission costs are projected at the FY18 estimated usage level and adjusted for increases or decreases in tuition rates for FY19. Employee (excluding adjunct) projected tuition remission costs are allocated to applicable e-class pools based on the number of eligible employees. Adjunct projected tuition remission costs are allocated to that specific e-class.
15. Consulting and other costs are projected at the level forecasted by the respective program director. Employee Assistance Program (EAP) costs are allocated to health care eligible employees. Consulting and other projected costs are allocated to all e-classes (except GN, SN) prorata based on the staff benefit wage base.
16. Labor relations costs are projected at the level forecasted by the Statewide Controller's Office. They are allocated to the union e-classes prorata based on their staff benefit wage base.
17. FY19 staff benefit recovery carryforwards are reflected as calculated in the FY17 Fringe Benefit Incurred Cost Report.

	NR	CR	XR	EX, FR, FN Executive, Non-Union Faculty	F9	FT,FW	CT, GT, NT, ST, XT	NX, XX	GN, SN	
	Classified	Classified, AHECTE	APT Exempt	(12 mos)	UNAC Faculty	Adjunct Faculty	Temporary/ FICA Student	Extended Temporary	Student	Total
Staff Benefit Base	56,012,000	11,968,900	86,757,200	26,618,200	109,888,200	15,728,300	13,361,700	6,156,100	12,181,100	338,671,700
Total Staff Benefit Pool	28,851,157	5,711,123	37,124,275	7,972,501	35,441,320	1,618,170	1,254,483	1,757,571	-	119,730,600
Base Rate (unrounded)	51.508885%	47.716357%	42.791002%	29.951317%	32.252162%	10.288271%	9.388647%	28.550068%	0.000000%	
FY17 Est. Carry-forward claimed in FY19 rates	(3,161,940)	(951,059)	(4,310,363)	(495,127)	(1,990,752)	(924,547)	(358,357)	(382,310)	-	(12,574,455)
Est Carry-forward claimed in FY19 rates	(3,161,940)	(951,059)	(4,310,363)	(495,127)	(1,990,752) *	(924,547)	(358,357)	(382,310)	-	(12,574,455)
Carry-forward Rate (unrounded)	(5.645112)%	(7.946085)%	(4.968306)%	(1.860107)%	(1.811616)%	(5.878239)%	(2.681972)%	(6.210263)%	0.000000%	
Staff Benefit Pool with Carry-forward	25,689,217	4,760,064	32,813,912	7,477,374	33,450,568	693,623	896,126	1,375,261	-	107,156,145
Allocation Base	56,012,000	11,968,900	86,757,200	26,618,200	109,888,200	15,728,300	13,361,700	6,156,100	12,181,100	338,671,700
Rate Including Carry-forward (unrounded)	45.863773%	39.770271%	37.822696%	28.091210%	30.440546%	4.410032%	6.706675%	22.339805%	0.000000%	
Proposed rate (rounded)	45.9%	39.8%	37.8%	28.1%	30.4%	4.4%	6.7%	22.3%	0.0%	

* UAFT (A9) merged into UNAC (F9) effective May 13, 2018. The \$(1,990,752) is the combined carry-forward total.

	NR	CR	XR	EX, FR, FN Executive, Non-Union	F9	FT, FW	CT, GT, NT, ST, XT	NX, XX	GN, SN	
	Classified	Classified, AHECTE	APT Exempt	Faculty (12 mos)	UNAC Faculty	Adjunct Faculty	Temporary/ FICA Student	Extended Temporary	Student	Total
Employee Category										
19 Proposed Staff Benefit Rate (unrounded)	45.863773%	39.770271%	37.822696%	28.091210%	30.440546%	4.410032%	6.706675%	22.339805%	0.000000%	
19 Actual Base	56,012,000	11,968,900	86,757,200	26,618,200	109,888,200	15,728,300	13,361,700	6,156,100	12,181,100	338,671,700
19 Recovery at Proposed Rate	25,689,217	4,760,064	32,813,912	7,477,374	33,450,568	693,623	896,126	1,375,261	-	107,156,145
17 Est Carry-forward proj to claim in FY19	(3,161,940)	(951,059)	(4,310,363)	(495,127)	(1,990,752) *	(924,547)	(358,357)	(382,310)	-	(12,574,455)
Est Carry-forward claimed in FY19	(3,161,940)	(951,059)	(4,310,363)	(495,127)	(1,990,752)	(924,547)	(358,357)	(382,310)	-	(12,574,455)
19 Recovery	28,851,157	5,711,123	37,124,275	7,972,501	35,441,320	1,618,170	1,254,483	1,757,571	-	119,730,600
19 Actual Costs	28,851,157	5,711,123	37,124,275	7,972,501	35,441,320	1,618,170	1,254,483	1,757,571	-	119,730,600
Variance	-	-	-	-	-	-	-	-	-	-

() Denotes Over-Recovery

* UAFT (A9) merged into UNAC (F9) effective May 13, 2018. The \$(1,990,752) is the combined carry-forward total.

	NR	CR	XR	EX, FR	FN	F9	FT,FW	CT, GT, NT, ST, XT	NX, XX	GN, SN	
	Classified	Classified, AHECTE	APT Exempt	Executive, Non- Union Faculty (12 mos)	Non-Union Faculty (<12 mos)	UNAC Faculty	Adjunct Faculty	Temporary/ FICA Student	Extended Temporary	Student	Total
Leave Benefit Base	44,259,000	9,290,700	70,069,800	19,112,400	2,783,200	85,542,100	15,580,800	13,052,100	4,999,000	12,127,500	276,816,600
Annual Leave	4,524,486	927,209	7,425,763	1,999,864	-	-	-	-	-	-	14,877,322
Sick Leave	2,646,700	637,300	3,825,800	636,400	69,300	2,078,700	-	-	82,000	-	9,976,200
Holiday Leave	3,182,200	625,300	4,547,500	1,139,100	159,200	10,745,700	-	-	-	-	20,399,000
Total Leave Benefit Pool	10,353,386	2,189,809	15,799,063	3,775,364	228,500	12,824,400	-	-	82,000	-	45,252,522
Base Rate (unrounded)	23.392725%	23.569903%	22.547607%	19.753479%	8.209974%	14.991916%	0.000000%	0.000000%	1.640328%	0.000000%	
FY16 Carry-forward claimed in FY19 rates	-	-	-	-	-	-	-	-	(26,000)	-	(26,000)
FY17 Carry-forward projected to claim in FY19 rates	122,924	(78,813)	322,827	363,263	52,492	1,305,234 *	-	-	22,043	-	2,109,970
Total FY17 Carry-forward claimed in FY19 rates	122,924	(78,813)	322,827	363,263	52,492	1,305,234	-	-	(3,957)	-	2,083,970
Carry-forward Rate (unrounded)	0.277738%	-0.848300%	0.460722%	1.900667%	1.886030%	1.525838%	0.000000%	0.000000%	-0.079156%	0.000000%	
Leave Benefit Pool with Carry-forward	10,476,310	2,110,996	16,121,890	4,138,627	280,992	14,129,634	-	-	78,043	-	47,336,492
Allocation Base	44,259,000	9,290,700	70,069,800	19,112,400	2,783,200	85,542,100	15,580,800	13,052,100	4,999,000	12,127,500	276,816,600
Rate Including Carry-forward (unrounded)	23.670463%	22.721603%	23.008329%	21.654146%	10.096005%	16.517754%	0.000000%	0.000000%	1.561172%	0.000000%	
Proposed Rate (rounded)	23.7%	22.7%	23.0%	21.7%	10.1%	16.5%	0.0%	0.0%	1.6%	0.0%	

* UAFT (A9) merged into UNAC (F9) effective May 13, 2018. The \$(1,305,234) is the combined carry-forward total.

Employee Category	NR	CR	XR	EX, FR Executive, Non-Union Faculty (12 mos)	FN Non-Union Faculty (<12 mos)	F9 UNAC Faculty	FT, FW Adjunct Faculty	CT, GT, NT, ST, XT Temporary/ FICA Student	NX, XX Extended Temporary	GN, SN Student	Total
19 Proposed Leave Benefit Rate (unrounded)	23.670463%	22.721603%	23.008329%	21.654146%	10.096005%	16.517754%	0.000000%	0.000000%	1.561172%	0.000000%	
19 Projected Leave Wage Base	44,259,000	9,290,700	70,069,800	19,112,400	2,783,200	85,542,100	15,580,800	13,052,100	4,999,000	12,127,500	276,816,600
19 Recovery at Proposed Rate	10,476,310	2,110,996	16,121,890	4,138,627	280,992	14,129,634	-	-	78,043	-	47,336,492
16 Actual Carry-forward	-	-	-	-	-	-	-	-	(26,000)	-	(26,000)
17 Actual Carry-forward	122,924	(78,813)	322,827	363,263	52,492	1,305,234 *	-	-	22,043	-	2,109,970
Total	122,924	(78,813)	322,827	363,263	52,492	1,305,234	-	-	(3,957)	-	2,083,970
19 Recovery	10,353,386	2,189,809	15,799,063	3,775,364	228,500	12,824,400	-	-	82,000	-	45,252,522
19 Projected Usage for all Leave Benefits	10,353,386	2,189,809	15,799,063	3,775,364	228,500	12,824,400	-	-	82,000	-	45,252,522
Variance	-	-	-	-	-	-	-	-	-	-	-

() Denotes Over-Recovery

* UAFT (A9) merged into UNAC (F9) effective May 13, 2018. The \$(1,305,234) is the combined carry-forward total.

The University of Alaska
Certificate of Final Fringe Benefit Costs
(FAR 52.242-4)

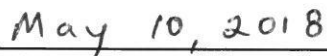
This is to certify that I have reviewed this proposal to establish final fringe benefit cost rates and to the best of my knowledge and belief:

1. All costs included in this proposal dated May 10, 2018 to establish final fringe benefit cost rates for July 1, 2018 through June 30, 2019 are allowable in accordance with the cost principles of the Federal Acquisition Regulation (FAR) and its supplements applicable to the contracts to which the final fringe benefit cost rates will apply, and
2. This proposal does not include any costs, which are unallowable under applicable cost principles of the FAR or its supplements.

The University of Alaska
Institution


Myron J. Dosch

Chief Financial Officer
Title


Date of Execution

**The University of Alaska
Certificate of Fringe Benefit Costs**

**(2 CFR § 200, Uniform Administrative Requirements, Cost Principles,
and Audit Requirements for Federal Awards (Uniform Guidance))**

This is to certify that to the best of my knowledge and belief:

1. I have reviewed the forward pricing fringe benefit cost proposal submitted herewith;
2. All costs included in the proposal dated May 10, 2018 to establish fixed with carry-forward fringe benefit cost rates for the period beginning July 1, 2018 through June 30, 2019 are allowable in accordance with the requirements of the Federal agreement(s) to which they apply and with the cost principles applicable to those agreements.
3. This proposal does not include any costs which are unallowable under applicable cost principles such as (without limitation): public relations costs, contributions and donations, entertainment costs, fines and penalties, lobbying costs, and defense of fraud proceedings; and
4. All costs included in this proposal are properly allocable to Federal agreements on the basis of a beneficial or causal relationship between the expenses incurred and the agreements to which they are allocated in accordance with applicable requirements.

I declare that the foregoing is true and correct.

The University of Alaska
Institution

Myron J. Dosch
Myron J. Dosch

Chief Financial Officer
Title

May 10, 2018
Date of Execution