



DEPARTMENT OF THE NAVY
 OFFICE OF NAVAL RESEARCH
 875 NORTH RANDOLPH STREET
 SUITE 1425
 ARLINGTON, VA 22203-1995

IN REPLY REFER TO
 Agreement Date: June 24, 2013

NEGOTIATION AGREEMENT

INSTITUTION: **UNIVERSITY OF ALASKA
 FAIRBANKS, ALASKA 99775**

The Facilities and Administrative (F&A) rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to The University of Alaska (UA) by all Federal Agencies of the United States of America, in accordance with the cost principles mandated by 2 CFR 220. These rates shall be used for forward pricing and billing purposes for UA's Fiscal Year 2014. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2014.

Section I: RATES - TYPE: PROVISIONAL (PROV)

Indirect Cost Rates (F&A):

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE FUNCTION</u>
<u>University of Alaska Fairbanks (UAF)</u>					
PROV	7/1/2013	6/30/2014	50.0%	(a)	On-Campus Organized Research (1)
PROV	7/1/2013	6/30/2014	59.3%	(a)	On-Campus Organized Research (2)
PROV	7/1/2013	6/30/2014	26.7%	(a)	Poker Flat
PROV	7/1/2013	6/30/2014	35.0%	(a)	SHIP
PROV	7/1/2013	6/30/2014	37.2%	(a)	Other Sponsored Activities
<u>University of Alaska Anchorage (UAA)</u>					
PROV	7/1/2013	6/30/2014	51.2%	(a)	On-Campus Organized Research
PROV	7/1/2013	6/30/2014	33.0%	(a)	Other Sponsored Activities
<u>University of Alaska Southeast (UAS)</u>					
PROV	7/1/2013	6/30/2014	59.0%	(a)	On-Campus Organized Research
PROV	7/1/2013	6/30/2014	30.2%	(a)	Other Sponsored Activities
<u>Systemwide (Applies to all Campuses)</u>					
PROV	7/1/2013	6/30/2014	50.0%	(a)	Sponsored Training

DISTRIBUTION BASES

- (a) Modified Total Direct Costs (MTDC), as defined in 2 CFR 220, consisting of all salaries and wages, fringe benefits, materials and 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). Equipment, capital expenditures, charges for patient care and tuition remission, long term space rental costs, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000 shall be excluded from Modified Total Direct Costs.

APPLICABLE TO:

- (1) Applies to DOD contracts awarded before November 30, 1993, all Non-DOD Instruments, and all DOD grants (See Section II, paragraph E). (Capped)
- (2) Applies to only DOD contracts awarded on or after November 30, 1993 in accordance with and under the authority of DFARS 231.303(1) (See Section II, paragraph F). (Uncapped)

Notes: ¹Alaska Higher Education Crafts and Trade Employees
²Administrative/Professional/Technical
³United Academics
⁴University of Alaska Federation of Teachers

SECTION II - GENERAL TERMS AND CONDITIONS

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

C. PROVISIONAL RATES: 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.

D. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I hereof were negotiated in accordance with and under the authority set forth in 2 CFR 220. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and other transactions to which 2 CFR 220 is applicable, 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 grants and contracts using these rates or to otherwise provide such agencies with documentary notice of this agreement and its terms and conditions.

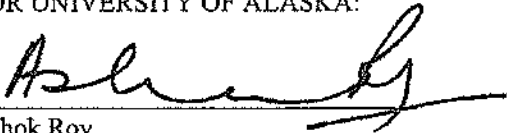
E. DFARS WAIVER: Signature of this agreement by the authorized representative of the University of Alaska and the Government acknowledges and affirms the University's request to waive the prohibition contained in DFARS 231.303(1) and the Government's exercise of its discretion contained in DFARS 231.303(2) to waive the prohibition in DFARS 231.303(1) with the exception of the University of Alaska Fairbanks Organized Research. The waiver request by the University of Alaska is made to simplify the University's overall management of DOD cost reimbursements under DOD contracts.

F. APPLICATION OF INDIRECT COST RATES TO DOD CONTRACTS/SUBCONTRACTS: In accordance with DFARS 231.303, for the University of Alaska Fairbanks Organized Research, no limitation (unless waived by the institution) may be placed on the reimbursement of otherwise allowable indirect costs incurred by an institution of higher education under a DOD contract awarded on or after November 30, 1993, unless the same limitation is applied uniformly to all other organizations performing similar work. It has been determined by the Department of Defense that such limitation is not being uniformly applied. Accordingly, the rates cited (2) of Section I, as explained under the title, "APPLICABLE TO" do not reflect the application of the 26% limitation on administrative indirect costs imposed by 2 CFR 220, whereas (1) does so.

G. SPECIAL REMARKS: The Government's agreement with the rates set forth in Section I is not an acceptance of University of Alaska (UA)'s accounting practices or methodologies. Any reliance by the Government on cost data or methodologies submitted by UA is on a non-precedence-setting basis and does not imply Government acceptance.

Accepted:

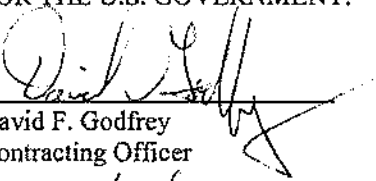
FOR UNIVERSITY OF ALASKA:


Ashok Roy
Chief Financial Officer

Date

6/25/13

FOR THE U.S. GOVERNMENT:


David F. Godfrey
Contracting Officer

Date

6/26/13

For information concerning this agreement contact:

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