



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

IN REPLY REFER TO:

September 28, 2021

[Supersedes Rate Agreement dated June 14, 2021]

## NEGOTIATION AGREEMENT

INSTITUTION: **THE PENNSYLVANIA STATE UNIVERSITY  
UNIVERSITY PARK, PA 16801-3857**

The Facilities and Administrative (F&A) cost rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to the Pennsylvania State University (PSU) by all Federal Agencies of the United States of America, in accordance with the provisions and cost principles mandated by 2 CFR Part 200. These rates shall be used for forward pricing and billing purposes for the PSU's Fiscal Year 2022. This rate agreement supersedes all previous rate agreements/determinations related to these rates for Fiscal Year 2022.

### SECTION I – RATES – TYPE: FIXED (FIXED)

#### UNIVERSITY PARK

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>	<u>LOCATION</u>
FIXED	07/01/21	06/30/22	58.19%	(a)	Organized Research	On-Campus
FIXED	07/01/21	06/30/22	26.00%	(a)	Organized Research	Off-Campus
FIXED	07/01/21	06/30/22	47.96%	(a)	Instruction	On-Campus
FIXED	07/01/21	06/30/22	25.19%	(a)	Instruction	Off-Campus

#### APPLIED RESEARCH LABORATORY

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>	<u>LOCATION</u>
FIXED	07/01/21	06/30/22	9.32%	(a)	Organized Research - ARL <sup>1</sup>	On-Campus
FIXED	07/01/21	06/30/22	8.19%	(a)	Organized Research - ARL	Off-Campus

#### HERSHEY COLLEGE OF MEDICINE

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>	<u>LOCATION</u>
FIXED	07/01/21	06/30/22	62.36%	(a)	Organized Research - HCM <sup>2</sup>	On-Campus
FIXED	07/01/21	06/30/22	26.00%	(a)	Organized Research - HCM	Off-Campus

<sup>1</sup> Applied Research Laboratory

<sup>2</sup> Hershey College of Medicine

## DISTRIBUTION BASE

(a) Modified Total Direct Cost (MTDC) means 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). MTDC excludes 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.

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## **SECTION II - GENERAL TERMS AND CONDITIONS**

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**A. LIMITATIONS:** Use of the rates set forth under Section I is subject to availability of funds and to any other statutory or administrative limitations. The rates are 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 any or all of the rates agreed to herein is predicated upon the following conditions: (1) that no costs other than those incurred by the institution were included in this indirect cost pool as finally accepted and that such costs are legal obligations of the institution 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 institution which was used as a 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 prior written approval of the authorized representative of the cognizant agency for indirect costs. 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 disallowances.

**C. FIXED RATES WITH CARRY-FORWARD PROVISIONS:** The fixed rates contained in this agreement are based on estimates of the costs for FY 2022. When actual costs for this fiscal year are determined, adjustments will be applied to a rate negotiation for a subsequent fiscal year to recognize the difference between the FY 2022 estimated costs used to establish the fixed rates and the negotiated actual FY 2022 costs.

**D. CARRY-FORWARD AMOUNTS:** The following final (FY16 – 19) and estimated (FY20) carry-forward amounts were included in the establishment of the FY2022 rates: ( ) Denotes over-recovery.

<b>Organized Research - University Park</b>	<b>Liquidated in FY22</b>
Carryforward - On Campus Capped 2016 - FINAL	(2,103,280)
Carryforward - On Campus Capped 2017 - FINAL	(5,699,878)
Carryforward - On Campus Capped 2018 - FINAL	664,246
Carryforward - On Campus Capped 2019 - FINAL	7,500,000
Carryforward - On Campus Capped 2020 - EST.	(2,794,709)

<b>Instruction</b>	<b>Liquidated in FY22</b>
Carryforward - On Campus Capped 2016 - FINAL	(883,703)
Carryforward - On Campus Capped 2017 - FINAL	(7,348,712)
Carryforward - On Campus Capped 2018 - FINAL	2,871,024
Carryforward - On Campus Capped 2019 - FINAL	1,339,978
Carryforward - On Campus Capped 2020 - EST.	26,313,324

<b>ARL</b>	<b>Liquidated in FY22</b>
Carryforward - On Site Capped 2016 - FINAL	(833,190)
Carryforward - On Site Capped 2017 - FINAL	(96,380)
Carryforward - On Site Capped 2018 - FINAL	346,496
Carryforward - On Site Capped 2019 - FINAL	(144,952)
Carryforward - On Site Capped 2020 - EST.	2,238,563
EOC Carryforward - On Site Capped 2016 - FINAL	(31,548)
EOC Carryforward - On Site Capped 2017 - FINAL	(8,432)
Carryforward - Off Site Capped 2016 - FINAL	(17,439)
Carryforward - Off Site Capped 2017 - FINAL	(5,986)
Carryforward - Off Site Capped 2018 - FINAL	7,246
Carryforward - Off Site Capped 2019 - FINAL	(1,510)
Carryforward - Off Site Capped 2020 - EST.	38,551

<b>Hershey College of Medicine</b>	<b>Liquidated in FY22</b>
Carryforward - On Campus Capped 2016 - FINAL	(22,068)
Carryforward - On Campus Capped 2017 - FINAL	1,383,883
Carryforward - On Campus Capped 2018 - FINAL	81,864
Carryforward - On Campus Capped 2020 - EST.	105,000

**E. USE BY OTHER FEDERAL AGENCIES:** The rates set forth in Section I are negotiated in accordance with and under the authority set forth in 2 CFR Part 200. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts, and other agreements to which 2 CFR Part 200 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 to provide such agencies with documentary notice of this agreement and its terms and conditions.


F. **DFARS WAIVER:** Signature of this agreement by the authorized representative of Pennsylvania State University 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). The waiver request by Pennsylvania State University is made to simplify the University's overall management of DoD cost reimbursements under DoD contracts.

G. **SPECIAL REMARKS:**

1. The rates included in Section I are not intended to be applied to Intergovernmental Personnel Act (IPA) costs. If the Pennsylvania State University elects to seek reimbursement of F&A or internal overhead costs associated with IPA agreements, then the University and the Office of Naval Research shall establish special F&A and/or internal overhead rates for IPA agreements in accordance with the provisions of 2 CFR Part 200.
2. The Government's agreement with the rates set forth in Section I is not an acceptance of Pennsylvania State University's accounting practices or methodologies. Any reliance by the Government on cost data or methodologies submitted by Pennsylvania State University is on a non-precedence-setting basis and does not imply Government acceptance.

Accepted:

FOR PENNSYLVANIA STATE UNIVERSITY:

  
\_\_\_\_\_  
Joseph J. Doncsecz  
Associate Vice President for Finance and  
Corporate Controller

10/8/21  
\_\_\_\_\_  
Date

FOR THE U.S. GOVERNMENT:

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Betty J. Tingle  
Contracting Officer

10/12/2021  
\_\_\_\_\_  
Date

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*For information concerning this agreement contact:*  
Betty Tingle, Contracting Officer  
Office of Naval Research

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E-mail: betty.tingle@navy.mil