



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

IN REPLY REFER TO:

December 7, 2020

[Supersedes Rate Agreement dated June 24, 2020]

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 2021. This rate agreement supersedes all previous rate agreements/determinations related to these rates for Fiscal Year 2021.

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	07/01/20	06/30/21	60.50%	(a)	Organized Research	On-Campus
FIXED	07/01/20	06/30/21	26.00%	(a)	Organized Research	Off-Campus
FIXED	07/01/20	06/30/21	42.28%	(a)	Instruction	On-Campus
FIXED	07/01/20	06/30/21	26.00%	(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	07/01/20	06/30/21	8.87%	(a)	Organized Research - ARL ¹	On-Campus
FIXED	07/01/20	06/30/21	6.35%	(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	07/01/20	06/30/21	62.18%	(a)	Organized Research - HCM ²	On-Campus
FIXED	07/01/20	06/30/21	26.00%	(a)	Organized Research - HCM	Off-Campus

¹ Applied Research Laboratory

² 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.

SECTION II - GENERAL TERMS AND CONDITIONS

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 2021. 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 2021 estimated costs used to establish the fixed rates and the negotiated actual FY 2021 costs.

D. CARRY-FORWARD AMOUNTS: The following estimated carry-forward amounts were included in the establishment of the FY2021 rates: () Denotes over-recovery.

Organized Research Estimated CFW

Organized Research – University Park	Liquidated in FY 21
FY2019 Estimated - On Campus Capped	\$1,514,677
FY2018 Estimated - On Campus Capped	(\$306,749)

Instruction Estimated CFW

Instruction	Liquidated in FY 21
FY2019 Estimated - On Campus Capped	\$4,815,726
FY2019 Estimated - Off Campus Capped	\$378,624

ARL Estimated CFW

ARL	Liquidated in FY 21
FY2019 Estimated - On Campus Capped	\$1,735,733
FY2019 Estimated - Off Campus Capped	\$14,459

HCM Estimated CFW

Hershey College of Medicine	Liquidated in FY 21
FY2019 Estimated - On Campus Capped	\$1,696,362
FY2018 Estimated - On Campus Capped	\$104,682

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.

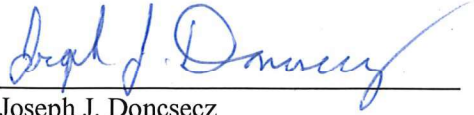
F. SPECIAL REMARKS:

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

12/7/2020

Date

For information concerning this agreement contact:

Betty Tingle, Contracting Officer
Office of Naval Research

FOR THE U.S. GOVERNMENT:

TINGLE.BETTY.JOHNSON.1204289
NSON.1204289359

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Date: 2020.12.18 10:10:13 -05'00'

Betty J. Tingle
Contracting Officer

12/18/2020

Date

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