



File-Fringe Benefits
UNIVERSITY OF
VIRGINIA

914 Emmet St. • P.O. Box 400127 • Charlottesville, Virginia 22904-4127 • 804-924-4350 • FAX 804-924-6306

UNIVERSITY HUMAN RESOURCES
UNIVERSITY PAYROLL DIVISION

E-mail: Payroll@virginia.edu
UHR Website: <http://www.hrs.virginia.edu>

July 14, 2004

Mr. William G. Logan
Director, Mid-Atlantic Field Office
Division of Cost Allocation
Department of Health and Human Services
Program Support Center
Financial Management Services
Cohen Building-Room 1067
330 Independence Avenue, SW
Washington, DC 20201

Dear Mr. Logan:

Enclosed are the signed fringe rate agreements for the University of Virginia's fringe benefit proposal 2004-2005.

We have made an adjustment on your clover letter dated June 25, 2004, last paragraph "Thus, your next proposal based on actual costs for the fiscal year ending 06/30/04, is due in our office by 12/31/04." This sentence should read "Thus, your next proposal based on actual costs for the fiscal year ending 06/30/05, is due in our office by 12/31/05."

Please contact me if you have any questions about our proposal.

Sincerely,

Thomas E. Gausvik
Chief Human Resource Officer

C: Yoke San Reynolds, Vice President for Finance
Darrell Kozuch, Director University Payroll
✓ Steve Kimata, Associate Vice President Finance/ Comptroller
Ken Sinarski, Associate Comptroller



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

Cohen Building-Room 1067
330 Independence Avenue, S.W.
Washington, DC 20201
PHONE: (202)-401-2808
FAX: (202)-619-3379

June 25, 2004

Mr. Steve Kimata
Assistant Vice President for Finance
University of Virginia
Carruthers Hall
P.O. Box 400194
Charlottesville, VA 22906-4194

Dear Mr. Kimata:

A copy of an indirect cost Rate Agreement is being faxed to you for signature. This Agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indirect costs on grants and contracts with the Federal Government.

Please have the agreement signed by an authorized representative of your organization and fax it to me, retaining a copy for your files. Our fax number is (202) 619-3379. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

An indirect cost proposal, together with the supporting information, are required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending ~~06/30/04~~, is due in our office by ~~12/31/04~~.

*s/B 06/30/05
sk
12-8-04*

*s/B 12/31/05
sk
12-8-04*

Sincerely,

William G. Logan
Director, Mid-Atlantic Field Office
Division of Cost Allocation

Enclosures

PLEASE SIGN AND FAX A COPY OF THE RATE AGREEMENT

ORIGINAL

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 54-6001796

DATE: June 25, 2004

INSTITUTION:
University of Virginia
Carruthers Hall
P.O. Box 400194
Charlottesville

FILING REF.: The preceding Agreement was dated December 1, 2003

VA 22906-4194

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: FACILITIES AND ADMINISTRATIVE COST RATES*

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRED.	07/01/02	06/30/03	48.0	On-Campus	Organized Research
PRED.	07/01/02	06/30/03	23.6	Off-Campus	Organized Research
PRED.	07/01/03	06/30/05	52.0	On-Campus	Organized Research
PRED.	07/01/05	06/30/06	52.5	On-Campus	Organized Research
PRED.	07/01/03	06/30/06	26.0	Off-Campus	Organized Research
PRED.	07/01/02	06/30/06	50.0	On-Campus	Instruction
PRED.	07/01/02	06/30/06	26.0	Off-Campus	Instruction
PRED.	07/01/02	06/30/03	28.0	On-Campus	Other Spon Act
PRED.	07/01/02	06/30/03	22.5	Off-Campus	Other Spon Act
PRED.	07/01/03	06/30/06	32.8	On-Campus	Other Spon Act
PRED.	07/01/03	06/30/06	26.0	Off-Campus	Other Spon Act
PROV.	07/01/06	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2006.		

*BASE:

Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, 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). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000.

INSTITUTION:
University of Virginia

AGREEMENT DATE: June 25, 2004

SECTION I: FRINGE BENEFITS RATES**

RATE TYPES: FIXED		FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)	
TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
FIXED	07/01/04	06/30/05	33.7,	All	Classified Employees
FIXED	07/01/04	06/30/05	24.3,	All	Faculty Employees
FIXED	07/01/04	06/30/05	4.0,	All	Hourly Employees
FIXED	07/01/04	06/30/05	9.0,	All	Perm.Part-Time Empl.
PROV.	07/01/05 UNTIL AMENDED		Use same rates and conditions as those cited for fiscal year ending June 30, 2005.		

**DESCRIPTION OF FRINGE BENEFITS RATE BASE:
Salaries and wages.

INSTITUTION:
University of Virginia

AGREEMENT DATE: June 25, 2004

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) are listed below.

TREATMENT OF PAID ABSENCES:

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims are not made for the costs of these paid absences.

OFF-CAMPUS DEFINITION: For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s), the off-campus rate will apply. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

Fringe benefits include FICA/Medicare, retirement, disability insurance, life insurance, TIAA/CREF, workers' compensation, unemployment insurance and health insurance.

Until 06/30/02, equipment means an article of nonexpendable tangible personal property having a useful life of more than one year, and an acquisition cost of \$2,000 or more per unit.

Effective 07/01/03, equipment means an article of nonexpendible tangible personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

INSTITUTION:
University of Virginia

AGREEMENT DATE: June 25, 2004

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions:
(1) Only costs incurred by the organization were included in its facilities and administrative cost pools as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as facilities and administrative costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from facilities and administrative to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

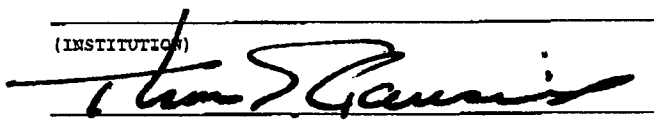
D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-21 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing facilities and administrative costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of facilities and administrative costs allocable to these programs.

BY THE INSTITUTION:
University of Virginia

(INSTITUTION)


(SIGNATURE)

THOMAS E. GAUSVICK

(NAME)

Chief Human Resource Officer

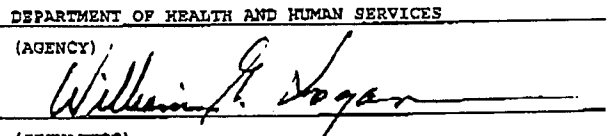
(TITLE)

7/14/04

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)


(SIGNATURE)

William G. Logan

(NAME)

DIRECTOR, MID-ATLANTIC FIELD OFFICE
DIVISION OF COST ALLOCATION

(TITLE)

June 25, 2004

(DATE) 0450

HHS REPRESENTATIVE: Arif Karim
Telephone: (202) 401-2808



DEPARTMENT OF HEALTH & HUMAN SERVICES

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June 25, 2004

Mr. Stephen A. Kimata
Assistant Vice President for Finance
The University of Virginia
Carruthers Hall
P.O. Box 400194
Charlottesville, VA 22906-4194

Dear Mr. Kimata:

A copy of the facilities and administrative (F&A) cost Rate Agreement is being faxed to you for your signature. This agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for F&A and fringe benefit costs on grants and contracts with the Federal Government.

In addition, both parties agree that the differences between the fixed and actual fringe benefit costs for the fiscal year ended June 30, 2003 are:

- ✓ Over-recovery of \$974,612 applicable to Classified Employees
- ✓ Under-recovery of \$192,002 applicable to Faculty Employees
- ✓ Over-recovery of \$1,272,202 applicable to Hourly Employees
- ✓ Over-recovery of \$182,388 applicable to Part-Time Employees

These amounts have been included in your fixed fringe benefit rates for the fiscal year ending June 30, 2005, which are listed in the attached Rate Agreement.

Please have the Rate Agreement and transmittal letter signed by an authorized representative of your organization and fax it to me, retaining a copy for your files. Our fax number is (202) 619-3379. We will reproduce and distribute the Rate Agreement to the appropriate awarding organizations of the Federal Government for their use.

Mr. Kimata
June 25, 2004
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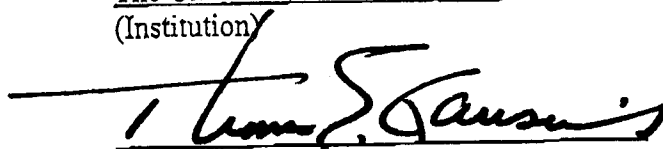
A fringe benefit proposal, together with the required supporting information, must be submitted to this office for each fiscal year in which your organization claims fringe benefits under grants and contracts awarded by the Federal Government. Therefore, your next fringe benefit proposal for the fiscal year ending June 30, 2004, will be due in our office by December 31, 2004.

Sincerely,

William G. Logan
Director,
Mid-Atlantic Field Office
Division of Cost Allocation

CONCURRENCE:

The University of Virginia
(Institution)


(Signature)

THOMAS E. GAUSVICK
(Name)

Chief Human Resource Officer
(Title)

7/14/04
(Date)