



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Portfolio  
Cost Allocation Services

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FAX: (415) 437-7823  
EMAIL: [CAS-SF@psc.hhs.gov](mailto:CAS-SF@psc.hhs.gov)

January 31, 2018

Zenaida Asuncion-Nace  
Comptroller  
University of Guam  
UOG Station  
Mangilao, Guam 96923



Hello Zeny:

A copy of an indirect cost rate agreement is being sent 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 return within ten business days of receipt. The signed agreement should be returned to me by email while retaining the copy for your files. Only when the signed agreement is returned, will we then 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, is required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Therefore, your next proposal based on actual costs for the fiscal year ending 9/30/19, is due in our office by 3/31/20. Please submit your next proposal electronically via email to [CAS-SF@psc.hhs.gov](mailto:CAS-SF@psc.hhs.gov).

Sincerely,

Arif Karim, Director  
Cost Allocation Services

Audit Report  
FOR  
FYE 9.30.19

Enclosure

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY EMAIL



**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN: DATE:01/31/2018  
ORGANIZATION: FILING REF.: The preceding  
University of Guam agreement was dated  
Business Office 01/23/2014  
UOG Station  
Mangilao, GU 96923

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.

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**SECTION I: Facilities And Administrative Cost Rates**

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

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	10/01/2016	09/30/2017	59.00	On-Campus	All Programs (1)
PRED.	10/01/2016	09/30/2017	24.00	Off-Campus	All Programs (1)
PRED.	10/01/2017	09/30/2020	41.00	On-Campus	All Programs (2)
PRED.	10/01/2017	09/30/2020	20.00	Off-Campus	All Programs (2)
PROV.	10/01/2020	Until Amended			Use same rates and conditions as those cited for fiscal year ending September 30, 2020.

\*BASE

ORGANIZATION: University of Guam Business Office

AGREEMENT DATE: 1/31/2018

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(1) Direct salaries and wages excluding all fringe benefits.

(2) Modified total direct costs, consisting of 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). Modified total direct costs shall exclude 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. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

ORGANIZATION: University of Guam Business Office

AGREEMENT DATE: 1/31/2018

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**SECTION II: SPECIAL REMARKS**

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TREATMENT OF FRINGE BENEFITS:

The fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits 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 cost 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.

DEFINITION OF EQUIPMENT

Equipment is defined as tangible nonexpendable personal property (including information technology systems) having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

The following fringe benefits are treated as direct costs:

SOCIAL SECURITY, MEDICAL/DENTAL/LIFE INSURANCE, AND RETIREMENT

NEXT PROPOSAL DUE DATE

A proposal based on actual costs for fiscal year ending 09/30/19, will be due no later than 03/31/20.

ORGANIZATION: University of Guam Business Office

AGREEMENT DATE: 1/31/2018

**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 Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200), and should be applied to grants, contracts and other agreements covered by 2 CFR 200, 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.

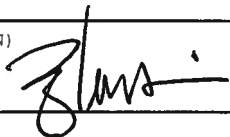
**E. OTHER:**

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 Guam Business Office

(INSTITUTION)



(SIGNATURE)

Zenaida Asuncion-Nace

(NAME)

University of Guam Comptroller

(TITLE)

February 6, 2018

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)



(SIGNATURE)

Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

1/31/2018

(DATE) 7036

HHS REPRESENTATIVE: Patrick Smith

Telephone: (415) 437-7820