

UNIVERSITY OF CINCINNATI
COLLEGE OF MEDICINE

ML

UCCM / RCC1.958005.006j

MAILING ADDRESS:
RADIOISOTOPE LABORATORY
CINCINNATI GENERAL HOSPITAL
CINCINNATI, OHIO 45228

May 15, 1970

Headquarters
Defense Atomic Support Agency
Department of Defense
Washington, D. C. 20305
Attn: Miss Jeanne Ryder

Attn: LCCM

Dear Miss Ryder:

This letter will answer the several questions in regard to our pending contract which we discussed on May 13, 1970.

The HEW Audit Agency in Columbus now serves both as negotiator and auditor on this contract.

The final indirect expense rate of salaries for the University is 46.87%. A copy of the memorandum from DHEW to the University establishing this rate is attached. There is also a rate of 13.8% of all salaries for University retirement.

The University has prepared an Affirmative Action Program which is now being printed. Copies will be forwarded when ready.

We shall be pleased to accept the contract for \$80,000 for the period June 15, 1970 through March 31, 1971.

Please contact me if additional information is needed.

Sincerely,

Eugene L. Saenger

Eugene L. Saenger, M.D.

ELS/ml

c.c Miss Loichinger
Mr. Bursiek
Dean Grulee
Mr. Hoefler

Enclosure

69-C-0131-P001 / 224

NEGOTIATION AGREEMENT
A-88 DHEW NEGOTIATION

DATE April 1, 1970

INSTITUTION: University of Cincinnati
Cincinnati, Ohio 45221

FILING REF: This replaces
Negotiation Agreement
dated April 29, 1969

SUBJECT: Indirect cost rate(s) for use on grants and contracts with the Department of Health, Education, and Welfare.

SECTION I: This Section shall be used for funding indirect costs on current grants and contracts. The rate(s) cited below was based on an indirect cost proposal ERMEM submitted in a timely manner for FYE June 30, 1969.

Type	Effective Period		Rate(a)	Locations	Applicable
	From	To			To
Predetermined	3/1/70	2/28/71	46.877*	On-Campus	(c)
Predetermined	3/1/70	2/28/71	33.837*	Off-Campus(b)	(c)
Predetermined	3/1/70	2/28/71	67.067*	On-Campus	Instruction
Predetermined	3/1/70	2/28/71	40.067*	Off-Campus(b)	Instruction
Provisional	3/1/71	Until Amended	46.877*	On-Campus	(c)
Provisional	3/1/71	Until Amended	33.837*	Off-Campus(b)	(c)
Provisional	3/1/71	Until Amended	67.067*	On-Campus	Instruction
Provisional	3/1/71	Until Amended	40.067*	Off-Campus(b)	Instruction

- (a) Base: Direct salaries and wages including vacation, holiday and sick pay, but excluding other fringe benefits.
 (b) See Section IV-D Special Remarks Note 2.
 (c) Research and Regional Medical Program.

Treatment of fringe benefits: Fringe benefits applicable to direct salaries and wages are treated as direct costs.

SECTION II: This Section shall be used for processing indirect cost rates on public vouchers and reports of expenditures.

Type	Effective Period		Rate(a)	Locations	Applicable
	From	To			To
Final	3/1/68	12/31/68	34.79%	On-Campus	(c)
Final	3/1/68	12/31/68	22.68%	Off-Campus	(c)
Final	1/1/69	2/28/70	42.78%	On-Campus	(c)
Final	1/1/69	2/28/70	29.02%	Off-Campus	(c)
Predetermined	3/1/70	2/28/71	Same as cited in Section I above	(b)	
Provisional	3/1/71	Until Amended	Same as cited in Section I above	(b)	

Notes (a), (b), & (c): Same as cited in Section I above.

Treatment of fringe benefits: Same as cited in Section I above.

For purposes of determining indirect costs to be applied to grant reports of expenditures, utilizing rates cited in this Section, the grantee elects Alternative 2 cited in Section III.

WHITE

The following rate alternatives are for use on grants only, and are not applicable to contracts. The application of the rates in Section II to contracts will be governed by the provisions of each contract. The alternative cited in Section II together with the applicable rate cited in Section II shall be applied consistently to all DHEW grants.

Alternative 1. The rate established for the fiscal period in which the grant budget year begins will be applied to the entire grant budget year.

Alternative 2. A single rate will be applied to the entire grant budget year and the rate that will be used is the one that is effective for the longest period during the budget year. If the budget year falls equally in two rate periods, the rate of the earlier period will be used.

Alternative 3. The rates established for the periods in which direct expenditures are actually made will be applied to those expenditures.

SECTION IV: General

- A. LIMITATIONS: Use of the rate(s) contained in this agreement is subject to any applicable statutory or administrative limitations. Acceptance of the rate(s) agreed to herein is predicated upon the conditions: (1) that no costs other than those incurred by the grantee/contractor were included in its indirect cost rate proposal and that such costs are legal obligations of the grantee/contractor, (2) that the same costs that have been treated as indirect costs have not been claimed as direct costs, and (3) that similar types of costs have been accorded consistent treatment.
- B. ACCOUNTING CHANGES: If a predetermined rate(s) is contained in this agreement it is based on the accounting system in effect at the time the proposal was submitted. Changes to the method of accounting, including but not limited to, changes in charging a particular type of cost from indirect to direct, require the prior approval of the Director of Grants Administration Policy, DHEW. Failure to obtain such approval may result in subsequent audit disallowances.
- C. USE BY OTHER FEDERAL AGENCIES: The asterisked rates contained herein were negotiated in conformance with the authority set forth in BOB Circular A-88 and should be applied, to the extent provided in such Circular, to grants and contracts covered under BOB Circular A-21 awarded by any Federal agency. Copies of this document may be provided to other Federal offices as a means of notifying them of the agreement contained herein.
- D. SPECIAL REMARKS:
1. The need for a formal negotiation was obviated because of the University's concurrence in audit exceptions. (Reference DHEWAA Audit Control No. 00279-0)
 2. The off campus indirect cost rate is comprised of the following:
 - a) Research
Organized Research Administration
Dean Administration
General Administration
 - b) Instruction
Instruction Administration
Dean Administration
General Administration

These rates are applicable to the following locations:

1. 3333 Vine Street, Cincinnati, Ohio
2. Veterans Hospital, Cincinnati, Ohio
3. Projects performed at locations neither owned nor maintained by the University.

ACCEPTANCE:

Grantee University of Cincinnati *M. G. Zarick*
Henry G. Kirshenmann, Chief
Cost Policy & Rate Negotiation Branch

By Wilma H. Lockinger Date April 23, 1970
Name

Assst Controller - Grants & Contracts Negotiated by R. A. Wilson
Title

4/20/70 Telephone 202 962-8334
Date