



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

Agreement Date: June 28, 2016
[Supersedes Agreement Dated: July 27, 2015]

NEGOTIATION AGREEMENT

**INSTITUTION: THE UNIVERSITY OF ILLINOIS AT URBANA-CHAMPAIGN
CHAMPAIGN, ILLINOIS 61820-6242**

The Facilities and Administrative (F&A) rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to The University Of Illinois at Urbana-Champaign by all Federal Agencies of the United States of America, in accordance with the cost principles mandated by 2 CFR 200. These rates shall be used for forward pricing and billing purposes for the University of Illinois at Urbana Champaign Fiscal Years 2016 through 2019. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Years 2016 through 2019.

Section I: RATES - TYPE: PREDETERMINED (PRED)

Type	From	To	On-Campus	Off-Campus	Base	Applicable Function
			Rates	Rates		
PRED	7/1/15	6/30/16	58.6%	24.0%	(a)	Organized Research
PRED	7/1/16	6/30/19	58.6%	26.0%	(a)	Organized Research
PRED	7/1/15	6/30/16	45.4%	24.0%	(a)	Sponsored Instruction
PRED	7/1/16	6/30/19	45.8%	26.0%	(a)	Sponsored Instruction
PRED	7/1/15	6/30/17	25.4%	18.7%	(a)	Other Sponsored Activities
PRED	7/1/17	6/30/18	28.6%	21.1%	(a)	Other Sponsored Activities
PRED	7/1/18	6/30/19	31.9%	23.6%	(a)	Other Sponsored Activities

DISTRIBUTION BASE:

(a) Modified Total Direct Cost (MTDC), as defined in 2 CFR 200, consisting of all salaries and wages, fringe benefits, materials and supplies, services, travel, and subawards up to the first \$25,000 each subaward (regardless of the period covered by the subaward); and excluding equipment (defined in Section II, paragraph G.1.), capital expenditures, charges for patient care and tuition remission, rental costs, scholarships and fellowships, participant support costs as well as 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 any statutory or administrative limitations and is 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 all the following conditions: (1) that no costs other than those incurred by the grantee/contractor were included in its indirect cost pool as finally accepted and that all such costs are legal obligations of the grantee/contractor 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, in like circumstances, have been accorded consistent accounting treatment; (4) that the information provided by the contractor/grantee, which was used as the basis for the acceptance of the rates agreed to herein and expressly relied upon by the Government in negotiating 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 this agreement was negotiated. Changes to the method(s) of accounting for costs, which affects the amount of reimbursement resulting from the use of these rates, require the written approval of the authorized representative of the cognizant negotiating agency for the Government prior to implementation of any such changes. 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. PREDETERMINED RATES: The predetermined rates contained in this agreement are not subject to adjustment in accordance with the provisions of 2 CFR 200, subject to the limitations contained in Part A of this section.

D. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I hereof were negotiated in accordance with and under the authority set forth in 2 CFR 200. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and other agreements to which 2 CFR 200 is applicable, 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.

E. DFARS WAIVER: Signature of this agreement by the authorized representative of the ABC 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 the ABC University is made to simplify the University's overall management of DOD cost reimbursements under DOD contracts. (The FY 2016 rates noted in Section 1 are in compliance with DFARS 231.303 (1), since the institution elected to use the alternate method for administrative costs as set forth in 2 CFR 200 Appendix III Section C.9.)

F. APPLICATION OF RATES:

1. The rates included in Section I are not applicable to Intergovernmental Personnel Act (IPA) costs. If the University elects to seek reimbursement of F&A costs associated with IPA agreements, then the University and the Office of Naval Research shall establish a special F&A rate for IPA agreements in accordance with the provisions of 2 CFR 200.

2. Application of the appropriate On-Campus or Off-Campus indirect rate(s) is to be determined at the beginning of each sponsored agreement and is to be equitably adjusted if the

circumstances which determined the application change materially during the period of performance.

a. The On-Campus rate is to be assessed except when a portion of the sponsored agreement is performed at an off-campus site. The criteria for utilization of the off-campus rate consists of all of the following: (a) performance at the off-campus site must be on a continuous basis; intermittent performance is not sufficient; (b) the University personnel working or engaged on the project must be physically located at an off-campus site; and (c) the off-campus performance must be of sufficient duration; normally a full semester, summer term or the period of performance of the sponsored agreement. The off-campus rate will be used for the off-campus portion of the work on a sponsored agreement.

b. Off-campus costs may include costs incurred at the off-campus site for salaries, related benefits, supplies, utility costs, rent, local travel and other similar costs, which are treated as direct. Travel to and from an off-campus site is considered an off-campus cost.

G. SPECIAL REMARKS:

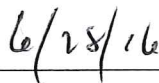
1. Equipment is defined as follows: The costs of items of purchased equipment with an estimated life of more than one year and an acquisition cost of \$5,000.00 or more per unit, including lease-purchase agreements. This definition includes the cost of component parts, materials and/or supplies used to fabricate an item or piece of equipment when (1) the aggregate cost of the component parts, materials and/or supplies is \$5,000.00 or more in value and (2) the cost of fabrication is documented and accounted for by the department.

2. The Government's agreement with the rates set forth in Section I is not an acceptance of the University of Illinois at Urbana-Champaign's accounting practices or methodologies. Any reliance by the Government on cost data or methodologies submitted by the University of Illinois at Urbana-Champaign is on a non-precedence-setting basis and does not imply Government acceptance.

FOR THE UNIVERSITY:

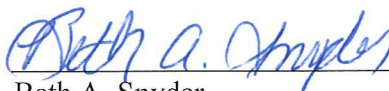


Walter K. Knorr
Comptroller & Authorized Representative of the
Board of Trustees of the University of Illinois



Date

FOR THE GOVERNMENT:



Beth A. Snyder
Contracting Officer



Date

For information concerning this agreement contact:

Beth Snyder
Office of Naval Research

Phone: (703) 696-5755
E-mail: beth.snyder@navy.mil

Institution: University of Illinois at Urbana-Champaign

Type of Rate: Predetermined

FY Covered by Rate: 2016-19

	Other Sponsored Activities					
	FY 2016-17		FY 2018		FY 2019	
Negotiation Base: MTDC (\$000's)	\$63,624	\$8,141	\$64,373	\$14,194	\$64,373	\$14,194
RATE COMPONENTS:	On Campus	Off Campus	On Campus	Off Campus	On Campus	Off Campus
1. ADMINISTRATIVE						
A. GA&GE			5.91%	5.91%	6.61%	6.61%
B. DA			6.51%	6.51%	7.71%	7.71%
C. DA Allowance			3.60%	3.60%	3.60%	3.60%
D. SPA			5.08%	5.08%	5.68%	5.68%
E. Student Admin. & Services			0.00%	0.00%	0.00%	0.00%
F. Adjustment for 26% Cap						
Subtotal	18.70%*	18.70%*	21.10%	21.10%	23.60%	23.60%
2. DEPRECIATION:						
A. Buildings & Improvements	1.15%		1.17%		1.17%	
B. Equipment	0.38%		0.31%		0.31%	
3. Interest	0.30%		0.31%		0.31%	
4. O&M	4.82%		5.74%		6.47%	
5. Library	0.00%		0.00%		0.00%	
Subtotal	6.65%		7.53%		8.26%	
6. Utility Cost Adjustment	0.05%					
Rounding	25.40%	18.7%	28.6%	21.1%	31.9%	23.6%
TOTAL						

In accordance with 2 CFR 200 Appendix III Section C.9.

FOR THE INSTITUTION:

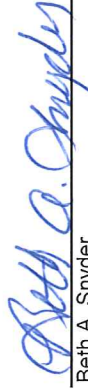


Walter K. Knorr
Comptroller & Authorized Representative of the
Board of Trustees of the University of Illinois

Date

6/28/16

FOR THE GOVERNMENT:



Beth A. Snyder
Contracting Officer

Date

6/28/2016

Institution: University of Illinois at Urbana-Champaign

FY Covered by Rate: 2016-19

Type of Rate: Predetermined

Negotiation Base: MTDC (\$000's)	Organized Research		Instruction	
	FY 2016	FY 2017-2019	FY 2016	FY 2017-2019
	\$247,058	\$6,000	\$248,397	\$8,414
	On Campus	Off Campus	On Campus	Off Campus
	24.00%*	24.00%*	24.00%*	26.00%
1. ADMINISTRATIVE				
A. GA&GE		6.58%		6.90%
B. DA		10.77%		14.08%
C. DA Allowance		3.60%		3.60%
D. SPA		5.59%		4.74%
E. Student Admin. & Services		0.00%		0.00%
F. Adjustment for 26% Cap		(0.54%)		(3.32%)
Subtotal	24.00%*	26.00%	24.00%*	26.00%
2. DEPRECIATION:				
A. Buildings & Improvements	4.67%	4.31%	1.91%	1.51%
B. Equipment	2.66%	2.32%	0.65%	0.49%
3. Interest	2.30%	1.61%	0.59%	0.51%
4. O&M	19.46%	19.25%	8.66%	8.23%
5. Library	4.22%	3.81%	9.67%	9.05%
Subtotal	33.31%	31.32%	21.48%	19.79%
6. Utility Cost Adjustment	1.30%	1.30%		
Rounding	0.00%	0.00%	(0.08%)	
TOTAL	58.6%	24.0%	45.4%	45.8%
				26.0%

In accordance with 2 CFR 200 Appendix III Section C.9.

FOR THE INSTITUTION:

WILLIAM LEE

Walter K. Knorr
Comptroller & Authorized Representative of the
Board of Trustees of the University of Illinois

6/28/16

Date

FOR THE GOVERNMENT:

Beth A. Snyder
Beth A. Snyder

Beth A. Snyder
Contracting Officer

11/28/2014

Date

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