



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Portfolio  
Cost Allocation Services

7700 Wisconsin Avenue, Suite 2301  
Bethesda, MD 20814  
PHONE: (301) 492-4855  
FAX: (301) 492-5081  
EMAIL: [CAS-Bethesda@psc.hhs.gov](mailto:CAS-Bethesda@psc.hhs.gov)

December 14, 2017

G. Scott Weldon  
Vice President for Finance & Administration  
University of South Alabama  
307 University Blvd N Ste 170  
Mobile, AL 36688-0002

Dear G. Scott Weldon:

A copy of the facilities and administrative cost (F&A) sent 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 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 sent to me by email ([CAS-Bethesda@psc.hhs.gov](mailto:CAS-Bethesda@psc.hhs.gov)), 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 F&A cost proposal, together with supporting information, are required to substantiate your claim for F&A costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending 9/30/2020 is due in our office by 3/31/2021. Please submit your next proposal electronically via email to [CAS-Bethesda@psc.hhs.gov](mailto:CAS-Bethesda@psc.hhs.gov).

Sincerely,

Darryl W.  
Mayes -S

Digitally signed by Darryl W.  
Mayes -S  
DN: cn=US, ou=U.S. Government,  
ou=HHS, ou=PSC, ou=People,  
o=342,19200300,10011=20001  
31669, c=Darryl W. Mayes -S  
Date: 2018.01.04 09:58:09 -0500

Darryl W. Mayes  
Deputy Director  
Cost Allocation Services

Enclosures

**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN: 1630477348A1

DATE:12/14/2017

ORGANIZATION:

FILING REF.: The preceding agreement was dated 06/26/2013

University of South Alabama  
Office of the Vice President for Finance and Admin  
Suite 170  
307 University Blvd N  
Mobile, AL 36688-0002

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.	10/01/2017	09/30/2018	53.00	On-Campus	Organized Research-Medicine
PRED.	10/01/2018	09/30/2021	54.00	On-Campus	Organized Research-Medicine
PRED.	10/01/2017	09/30/2021	41.00	On-Campus	Organized Research-Others
PRED.	10/01/2017	09/30/2021	52.00	On-Campus	Instruction
PRED.	10/01/2017	09/30/2021	37.00	On-Campus	Other Sponsored Activities
PRED.	10/01/2017	09/30/2021	26.00	Off-Campus	All Programs

ORGANIZATION: University of South Alabama

AGREEMENT DATE: 12/14/2017

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<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PROV.	10/01/2021	Until Amended			Use same rates and conditions as those cited for fiscal year ending September 30, 2021.

\*BASE

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 South Alabama

AGREEMENT DATE: 12/14/2017

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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.

Fringe Benefits include: FICA, Retirement, Life Insurance, Hospital Insurance, Long-Term Disability, TIAA/CREF and Health Insurance.

Equipment means an article of nonexpendable tangible personal property having a useful life of more than one year, and an acquisition cost of \$5,000 or more per unit.

The next indirect cost proposal based on actual costs for the fiscal year ending 09/30/2020, is due by 03/31/2021.

ORGANIZATION: University of South Alabama

AGREEMENT DATE: 12/14/2017

**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 South Alabama

(INSTITUTION)



(SIGNATURE)

G Scott Weldon

(NAME)

Vice President Finance & Admin

(TITLE)

1/18/18

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Darryl W. Mayes

Digitally signed by Darryl W. Mayes - S  
DN: c=US, o=U.S. Government, ou=HHS, ou=PSC,  
ou=People, 0.9.2342.19200300.100.1.1=2000131669,  
cn=Darryl W. Mayes - S  
Date: 2018.01.04 09:57:19 -0500

S

(SIGNATURE)

for Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

12/14/2017

(DATE) 7144

HHS REPRESENTATIVE: Denise Shirlee

Telephone: (214) 767-3261

**COMPONENTS OF THE PUBLISHED FACILITIES & ADMINISTRATIVE COST RATE**

INSTITUTION: UNIVERSITY OF SOUTH ALABAMA

FY COVERED BY RATE: FY 2018 - FY 2021

RATE TYPE:

RATE COMPONENTS:

	ORGANIZED RESEARCH			ORGANIZED RESEARCH - OTHER		INSTRUCTION		OTHER SPONSORED ACTIVITIES	
	On-Camp FY 18	On-Camp FY 19 - 21	Off-Camp FY 18 - 21	On-Camp FY 18 - 21	Off-Camp FY 18 - 21	On-Camp FY 18 - 21	Off-Camp FY 18 - 21	On-Camp FY 18 - 21	Off-Camp FY 18 - 21
Building Depreciation	4.1	4.3		2.2		2.5		1.5	
Equipment Depreciation	2.5	2.7		1.2		0.7		0.2	
Interest	4.0	4.2		0.2		2.3		0.6	
Operations & Maintenance	13.9	14.3		10.6		10.5		6.7	
Library	2.5	2.5		0.8		10.0		2.0	
Administrative Component	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0	26.0
F&A Rate	53.0	54.0	26.0	41.0	26.0	52.0	26.0	37.0	26.0

CONCURRENCE:

UNIVERSITY OF SOUTH ALABAMA

(Institution)

  
(Signature)

G Scott Weldon  
(Name)

Vice President, Finance & Admin  
(Title)

1/18/18  
(Date)