



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Portfolio  
Cost Allocation Services

July 8, 2014

26 Federal Plaza, Room 41-122  
New York, NY 10278  
PHONE: (212) 264-2069  
FAX: (212) 264-5478  
EMAIL: CAS-NY@psc.hhs.gov

Ms. Shirley Lake-King  
Vice President for Administration & Finance/CFO  
University of the Virgin Islands  
#2 John Brewer's Bay  
St. Thomas, VI 00802

Dear Ms. Lake-King:

A negotiation agreement is being sent to you for signature. This agreement reflects an understanding reached between your institution and a member of my staff concerning the rates or amounts that may be used to support your claim for costs on grants and contracts with the Federal Government. The agreement must be signed by a duly authorized representative of your institution and email to me; retain a copy for your file. We will reproduce and distribute the agreement to awarding agencies of the Federal Government for their use.

Requirements for adjustments to costs claimed under Federal Grants and Contracts resulting from this negotiation are dependent upon the type of rate contained in the negotiation agreement. Information relating to these requirements is enclosed.

A proposal encompassing all activities of your institution together with the required supporting information must be submitted to my office at the address shown on page 2 for each fiscal year your institution claims costs under grants and contracts awarded by the Federal Government. This proposal is due within six months after the close of your fiscal year. Therefore, a proposal for fiscal year ending September 30, 2016 will be due in my office not later than March 31, 2017. The proposal will be used to establish rates/amounts for the fiscal year subsequent to the last period covered by an approved final, fixed, or predetermined rate(s). Failure to submit a timely proposal will be interpreted as a forfeiture of reimbursement for indirect costs. Therefore, unless a proposal is received by March 31, 2017 future awards made by the Department of Health and Human Services will be for direct costs only and will not provide for the recovery of costs contained in this agreement. In addition, the costs claimed against awards already made may be subject to disallowances.

**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

<b>FIN:</b>	<b>DATE: 07/08/2014</b>
<b>ORGANIZATION:</b>	<b>FILING REF.: The preceding</b>
University of the Virgin Islands	agreement was dated
#2 John Brewer's Bay	09/25/2009
St. Thomas, VI 00802-9990	

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><b>TYPE</b></u>	<u><b>FROM</b></u>	<u><b>TO</b></u>	<u><b>RATE (%)</b></u>	<u><b>LOCATION</b></u>	<u><b>APPLICABLE TO</b></u>
PRED.	10/01/2013	09/30/2014	65.00	On-Campus	All Programs
PRED.	10/01/2014	09/30/2015	67.00	On-Campus	All Programs
PRED.	10/01/2015	09/30/2017	68.00	On-Campus	All Programs
PRED.	10/01/2013	09/30/2014	35.00	Off-Campus	All Programs
PRED.	10/01/2014	09/30/2017	37.00	Off-Campus	All Programs
PROV.	10/01/2017	Until Amended	68.00	On-Campus	All Programs
PROV.	10/01/2017	Until Amended	37.00	Off-Campus	All Programs

**\*BASE**

Direct salaries and wages including all fringe benefits.

ORGANIZATION: University of the Virgin Islands

AGREEMENT DATE: 7/8/2014

**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, 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 those programs.

BY THE INSTITUTION:

University of the Virgin Islands

(INSTITUTION)

(SIGNATURE)

Shirley Lake-King

(NAME)

Vice President for Administration  
and Finance/Chief Financial Officer

(TITLE)

July 11, 2014

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(SIGNATURE)

Darryl W. Mayes

(NAME)

Deputy Director, Cost Allocation Services

(TITLE)

7/8/2014

(DATE) 0923

HHS REPRESENTATIVE:

Michael Leonard

Telephone:

(212) 264-2069