



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

5600 Fishers Lane | Office 08N144
Rockville, MD 20857
PHONE: (301) 492-4855
FAX: (301) 492-5081
EMAIL: CAS-Bethesda@psc.hhs.gov

April 19, 2024

Katie Archie
Assistant Controller
University of Memphis
275 Administration Bldg
Memphis, TN 38152-3370

Dear Ms. Archie:

A copy of the F&A Rate Agreement is being mailed to you. 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 overhead and fringe benefit costs on grants and contracts with the Federal Government.

In addition, both parties agree that the differences between the fixed and actual fringe benefit costs for the fiscal year ended June 30, 2023 are:

- Over-recovery of \$921,361 applicable to Salary Employees
- Over-recovery of \$1,325,135 applicable to Hourly Employees
- Over-recovery of \$56,853 applicable to Temporary Employees (Combined)
- Over-recovery of \$59,564 applicable to Student/GA (Monthly)

These amounts are included in your fixed fringe benefit rates for the fiscal year ending June 30, 2025 which are listed in the attached Rate Agreement.

To indicate your concurrence with the understanding cited above, please have this letter and the attached agreement signed by an authorized representative of your organization and return to CAS-Bethesda@psc.hhs.gov, retaining a copy for your files. We will reproduce and distribute the Rate Agreement to the appropriate awarding organizations of the Federal Government for their use.

Ms. Archie
April 19, 2024
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A fringe benefit proposal, together with the required supporting information, must be submitted to this office for each fiscal year in which your organization claims fringe benefits under grants and contracts awarded by the Federal Government. Your next F&A proposal based on actual costs for the fiscal year ending June 30, 2025 is due in our office by December 31, 2025. The next fringe benefit proposal based on actual costs for the fiscal year ending June 30, 2024 is due in our office by December 31, 2024. Please submit your next proposal via email to CAS-Bethesda@psc.hhs.gov.

Sincerely,
Darryl W. Mayes -S
Digitally signed by
Darryl W. Mayes -S
Date: 2024.05.03
07:47:26 -04'00'

Darryl W. Mayes
Deputy Director
Cost Allocation Services

CONCURRENCE:

University of Memphis
(Institution)


(Signature)

René BUSTAMANTE
(Name)

EVP, COO / CFO
(Title)

5/6/2024
(Date)

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1620648618A1
 ORGANIZATION:
 University of Memphis
 275 Administration Bldg
 Memphis, TN 38152-3370

Date: 04/19/2024
 FILING REF.: The preceding
 agreement was dated
 05/16/2023

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.

SECTION I: INDIRECT COST RATES

RATE TYPES:	FIXED	FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)	
	<u>EFFECTIVE PERIOD</u>				
<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	07/01/2021	06/30/2023	43.50	On-Campus	Organized Research
PRED.	07/01/2021	06/30/2023	55.00	On-Campus	Instruction
PRED.	07/01/2021	06/30/2023	35.00	On-Campus	Other Sponsored Activities
PRED.	07/01/2023	06/30/2025	45.00	On-Campus	Organized Research
PRED.	07/01/2025	06/30/2026	46.00	On-Campus	Organized Research
PRED.	07/01/2023	06/30/2026	56.50	On-Campus	Instruction
PRED.	07/01/2023	06/30/2026	37.00	On-Campus	Other Sponsored Activities
PRED.	07/01/2021	06/30/2026	26.00	Off-Campus	All Programs
PROV.	07/01/2026	Until Amended			Use same rates and conditions as those cited for fiscal year ending Jun 30, 2026

*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.

SECTION I: FRINGE BENEFIT RATES**

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FIXED	7/1/2023	6/30/2024	30.61	All	Salary Employees
FIXED	7/1/2023	6/30/2024	33.43	All	Hourly Employees
FIXED	7/1/2023	6/30/2024	7.20	All	Temporary Employees (Combined)
FIXED	7/1/2023	6/30/2024	1.38	All	Student/GA
FIXED	7/1/2024	6/30/2025	36.82	All	Salary Employees
FIXED	7/1/2024	6/30/2025	42.17	All	Hourly Employees
FIXED	7/1/2024	6/30/2025	6.93	All	Temporary Employees (Combined)
FIXED	7/1/2024	6/30/2025	0.97	All	Students/GA Biweekly
FIXED	7/1/2024	6/30/2025	4.96	All	Students/GA Monthly
PROV.	7/1/2025	Until Amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2025

**** DESCRIPTION OF FRINGE BENEFITS RATE BASE:**

Salaries and wages.

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) 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: The off-campus rate will apply for all activities: a) Performed in facilities not owned by the institution and where these facility costs are not included in the F&A pools; or b) Where rent is directly allocated/charged to the project(s). 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, Unemployment Insurance, Health Insurance, Scholarship Benefits, Compensated Absences, Terminal Pay, Death Benefits and Workers' Compensation.

This Rate Agreement applies to the University of Memphis and the University of Memphis Research Foundation (EIN 20-5400381).

This Rate Agreement updates the Fringe Benefit Rates only.

Your next Fringe Benefit cost proposal based on actual costs for the fiscal year ending 6/30/2024 is due in our office by 12/31/2024.

Your next F&A proposal based on actual costs for the fiscal year ending 0630/2025 is due in our office by 12/31/2025.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds \$5000.

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 indirect cost pool 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 indirect 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 indirect 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 indirect 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 indirect costs allocable to these programs.

BY THE INSTITUTION:

University of Memphis

(INSTITUTION)

(SIGNATURE)

(NAME)

(TITLE)

(DATE)

ON BEHALF OF THE GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Darryl W. Mayes -S Digitally signed by Darryl W. Mayes -S
Date: 2024.05.03 07:46:39 -04'00'

(SIGNATURE)

Darryl W. Mayes

(NAME)

Deputy Director, Cost Allocation Services

(TITLE)

04/19/2024

(DATE)

HHS REPRESENTATIVE: Ernest Kinneer

TELEPHONE: (301) 492-4855