DEPARTMENT OF THE NAVY
OFFICE OF NAVAL RESEARCH
875 NORTH RANDOLPH STREET
SUITE 425
ARLINGTON VA 22203-1995

Agreement Date: June 29, 2017

NEGOTIATION AGREEMENT

INSTITUTION: UTAH STATE UNIVERSITY
LOGAN, UTAH 84322-1445

The Facilities and Administrative (F&A) rates contained herein are for use on grants, contracts
and/or other agreements issued or awarded to Utah State University by all Federal Agencies of
the United States of America, in accordance with the cost principles mandated by 2 CFR Part
200. These rates shall be used for forward pricing and billing purposes at Utah State University
for Fiscal Year 2018. This rate agreement supersedes all previous rate agreements/determinations
for Fiscal Year 2018.

SECTION I: RATES - TYPE: Provisional (PROV)

<table>
<thead>
<tr>
<th>TYPE</th>
<th>FROM</th>
<th>TO</th>
<th>RATE ON CAMPUS</th>
<th>RATE OFF CAMPUS</th>
<th>BASE</th>
<th>APPLICABLE TO</th>
</tr>
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<td>Prov</td>
<td>7/1/2017</td>
<td>6/30/2018</td>
<td>42.60%</td>
<td>21.81%</td>
<td>(a)</td>
<td>Organized Research (1)</td>
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<td>Prov</td>
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<td>21.81%</td>
<td>(a)</td>
<td>Organized Research (2)</td>
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<td>Instruction</td>
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DISTRIBUTION BASE

(a) Modified Total Direct Costs (MTDC) means 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). MTDC excludes
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.

APPLICABLE TO:

(1) Applies to all Non-DOD Instruments, all DOD Grants and other agreements, and to DOD

(2) Applies to only DOD Contracts awarded on or after November 30, 1993 in accordance with
and under the authority of DFARS 231.303(1). See Section II, Paragraph E hereof.
SECTION II: GENERAL TERMS AND CONDITIONS

A. LIMITATIONS: Use of the rates set forth under Section 1 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 recipient/contractor were included in its indirect cost pool as finally accepted and that all such costs are legal obligations of the recipient/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 recipient/contractor, 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 1 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. PROVISIONAL RATES: The provisional rates contained in this agreement are subject to unilateral amendment by the Government or bilateral amendment by the contracting parties at any time.

D. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section 1 hereof were negotiated in accordance with and under the authority set forth in 2 CFR Part 200. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and/or other agreements to which 2 CFR Part 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. APPLICATION OF INDIRECT COST RATES TO DOD CONTRACTS:

1. Signature of this agreement by the authorized representatives of Utah State University and the Government, acknowledges and affirms the institution’s request for waiver of the prohibition contained in DFARS 231.303(1) and the Government’s exercise of its discretion under DFARS 231.303(2) to waive the prohibition in DFARS 231.303(1) for all F&A cost rates, except for F&A rates applicable to Organized Research. The waiver request by Utah State University is made to simplify the institute’s overall management of DOD cost reimbursements under DOD contracts.

2. In accordance with DFARS 231.303, no limitation (unless waived by the institution) may be placed on the reimbursement of otherwise allowable indirect costs incurred by an institution of higher education under a DOD contract awarded on or after November 30, 1993, unless the same limitation is applied uniformly to all other organizations performing similar work. It has been determined by the Department of Defense that such limitation is not being
uniformly applied. Accordingly, the rates cited (1) of Section I (as explained under the title "APPLICABLE TO"), reflect the application of the 26% limitation on administrative indirect costs imposed by 2 CFR Part 200; whereas (2) does not.

F. SPECIAL REMARKS: The Government's agreement with the rates set forth in Section I is not an acceptance of the Utah State University (USU)'s accounting practices or methodologies. Any reliance by the Government on cost data or methodologies submitted by Utah State University is on a non-precedence-setting basis and does not imply Government acceptance.

Accepted:

FOR UTAH STATE UNIVERSITY:

Danford R. Christensen
Controller

June 29, 2017

Date:

FOR THE GOVERNMENT:

Betty J. Tingle
Contracting Officer

June 29, 2017

Date:

For information concerning this agreement contact:
Betty Tingle, Contracting Officer
Office of Naval Research

Phone: (703) 696-7742
E-mail: betty.tingle@navy.mil