



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

Agreement Date: January 10, 2019
 Supersedes Agreement Dated: June 28, 2018

NEGOTIATION AGREEMENT

**INSTITUTION: MASSACHUSETTS INSTITUTE OF TECHNOLOGY
 CAMBRIDGE, MA 02139-4307**

The Facilities and Administrative (F&A) cost rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to The Massachusetts Institute of Technology 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 for the Massachusetts Institute of Technology Fiscal Years 2019 through 2020. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Years 2019 through 2020.

Section I: RATES - TYPE: FIXED (FIXED)

F&A Rates:

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>	<u>LOCATION</u>
Fixed	7/1/2018	6/30/2019	55.0%	(a)	Organized Research	On Campus
Fixed	7/1/2018	6/30/2019	5.8%	(a)	Organized Research	Off Campus
Fixed	7/1/2019	6/30/2020	50.6%	(a)	Organized Research	On Campus
Fixed	7/1/2019	6/30/2020	6.2%	(a)	Organized Research	Off Campus

DISTRIBUTION BASES

(a) Modified Total Direct Cost (MTDC), 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). 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.

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 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 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. FIXED RATES WITH CARRY-FORWARD PROVISIONS: The fixed rates contained in this agreement are based on estimates of the costs for FYs 2019 and 2020. When actual costs for these fiscal years are determined, adjustments will be applied to a subsequent rate negotiation to recognize the difference between the FYs 2019 and 2020 estimated costs used to establish the fixed rates and the negotiated actual FYs 2019 and 2020 costs.

D. CARRY-FORWARD AMOUNTS: The following carry-forward amounts were considered in the establishment of the FY 2019 through 2020 rates:

() indicates over-recovery

	<u>On-Campus</u>	<u>Off -Campus</u>
<u>FY 2019 Rates</u>		
FY 2010 Final	(\$3,110,000)	
FY 2011 Final	(\$2,520,000)	
FY 2012 Final	(\$800,000)	
<u>FY 2020 Rates</u>		
FY 2010 Final		(\$978,000)
FY 2011 Final		(\$1,151,000)
FY 2012 Final	(\$1,888,000)	(\$1,275,000)
FY 2017 Estimated	(\$4,767,000)	\$2,350,000
FY 2018 Estimated	(\$17,994,000)	\$3,716,000

E. 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 Part 200. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and 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.

F. SPECIAL REMARKS:

1. Off Campus rates are used when the preponderance of effort is performed at Lincoln Laboratory, Haystack Observatory or other off-site locations.
2. The Government's agreement with the rates set forth in Section I is not an acceptance of the Massachusetts Institute of Technology's accounting practices or methodologies. Any reliance by the Government on cost data or methodologies submitted by the Massachusetts Institute of Technology is on a non-precedence-setting basis and does not imply Government acceptance.

Accepted:

FOR MASSACHUSETTS INSTITUTE
OF TECHNOLOGY:

FOR THE U.S. GOVERNMENT:



Maria T. Zuber
Vice President for Research

Linda Morgan Wood
Contracting Officer

01.14.19

Date

1/15/19

Date

For information concerning this agreement contact:

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