



March 30, 2023

Mr. Stefan Zuraf
Branch Chief, Cost Allocation Services (CAS)
Program Support Center, Financial Management
U.S. Department of Health and Human Services
7700 Wisconsin Ave. Office 8115
Bethesda, MD 20857

Dear Mr. Zuraf,

The University of South Florida (USF) is requesting a change in fringe benefit charging practice from a specific identification method with limited fringe rates to a fully pooled fringe benefit rate method effective July 1, 2023. This change is requested for simplicity in accounting and proposal development and to more closely reflect benefit charging methods at other Universities within the State University System of Florida.

Please find attached the fringe benefit rate proposal for the University of South Florida, for the rate periods July 1, 2023 to June 30, 2024 based on actual payroll and benefit costs for the fiscal year ended June 30, 2022. USF proposes the following rates which are based upon actual costs for the fiscal year ended June 30, 2022.

<u>Employee Class</u>	<u>FY2024 Rates</u>
Faculty	32.2%
Administration/Executive	39.5%
Staff	52.7%
OPS Other/OPS Student	6.3%
OPS Grad/PhD/Post Doc/Fellowships	12.7%
OPS Faculty (Housing Staff/Medical Resident, Adjunct)	3.0%
Bonuses	7.7%

Note that once fiscal year 2023 closes, USF will recalculate the limited fringe rate balance and will write off the remainder. Attached to this email are the limited fringe rate calculations for FY2024 for your reference.

Thank you for consideration of this request. If you have any questions or need additional information, please contact me at 813-974-3297 or jcondon@usf.edu.

Best regards,

DocuSigned by:
Jennifer Condon
23276C582042477...

Jennifer Condon, CPA

Vice President of Business & Finance, Deputy Chief Financial Officer & Controller

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1593102112A1

DATE:09/08/2022

ORGANIZATION:

FILING REF.: The preceding agreement was dated 08/20/2021

University of South Florida
4202 East Fowler Avenue
ADM147
Tampa, FL 33620-5800

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)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FINAL	07/01/2020	06/30/2021	49.50	On Campus	Organized Research
FINAL	07/01/2020	06/30/2021	46.00	On Campus	Instruction
FINAL	07/01/2020	06/30/2021	34.50	On Campus	Other Sponsored Activities
FINAL	07/01/2020	06/30/2021	26.00	Off Campus (A)	All Programs
FINAL	07/01/2020	06/30/2021	27.50	Off Campus (B)	All Programs
PRED.	07/01/2021	06/30/2023	49.50	On Campus	Organized Research
PRED.	07/01/2023	06/30/2025	50.00	On Campus	Organized Research
PRED.	07/01/2021	06/30/2025	46.00	On Campus	Instruction
PRED.	07/01/2021	06/30/2025	34.50	On Campus	Other Sponsored Activities
PRED.	07/01/2021	06/30/2025	26.00	Off Campus (A)	All Programs
PRED.	07/01/2021	06/30/2025	27.50	Off Campus (B)	All Programs

ORGANIZATION: University of South Florida

AGREEMENT DATE: 09/08/2022

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PROV.	07/01/2025	Until Amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2025.

*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.

(A) Off Campus, remote includes locations outside the commuting distance of Tampa, Florida.

(B) Off Campus, adjacent includes locations within the commuting distance of Tampa, Florida.

ORGANIZATION: University of South Florida

AGREEMENT DATE: 09/08/2022

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	7/1/2021	6/30/2022	2.10	All	Full Benefits Employees
FIXED	7/1/2021	6/30/2022	0.20	All	Other Personnel Services Employees
FIXED	7/1/2022	6/30/2023	2.10	All	Full Benefits Employees
FIXED	7/1/2022	6/30/2023	0.50	All	Other Personnel Services Employees
PROV.	7/1/2023	Until amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2023.

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

ORGANIZATION: University of South Florida

AGREEMENT DATE: 09/08/2022

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

Certain fringe benefits are charged using the effective rate(s) listed in the Fringe Benefits section of this Agreement. Retroactive payroll transfers will include the rates in effect at the time of transfer. 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, except for terminal leave pay which is included in the benefits rate and is paid out after separation of employment.

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). Actual costs will be apportioned between on-campus and off-campus components. Each portion will bear the appropriate rate.

Fringe Benefits include: Worker's Compensation, Unemployment Insurance, and Terminal Leave Pay. Other employee benefits, such as FICA, Retirement, Health Insurance, and Life Insurance are charged based on actual incurred costs.

The rates contained in this Agreement reflect the combined cost of the University of South Florida and the University of South Florida Research Foundation, Inc., and will apply to grants and contracts awarded to the Foundation.

** The Rate Agreement updated the Indirect Cost Rates only.**

The next fringe benefit proposal based on actual results of fiscal year ending 06/30/2022 is due in our office 12/31/2022. The next indirect cost proposal based on actual results of fiscal year ending 06/30/2024 is due in our office 12/31/2024.

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 \$5,000.

ORGANIZATION: University of South Florida

AGREEMENT DATE: 09/08/2022

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 Florida

(INSTITUTION)

(SIGNATURE)

(NAME)

(TITLE)

(DATE)

Sylvia W. Thomas
Sylvia W. Thomas, PhD
Vice President, Research & Innovation
10/3/22

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Darryl W. Mayes
-S
Digitally signed by Darryl W. Mayes-S
DN: cn=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: 2022.09.16 09:31:41 -0400

(SIGNATURE)

Darryl W. Mayes

(NAME)

Deputy Director, Cost Allocation Services

(TITLE)

09/08/2022

(DATE) 7147

HHS REPRESENTATIVE: Ernest Kinner

Telephone: (214) 767-3261