



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

IN REPLY REFER TO:

Agreement Date: June 27, 2012

NEGOTIATION AGREEMENT

Institution: **VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
BLACKSBURG, VIRGINIA 24061**

The Fringe Benefits rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to Virginia Polytechnic Institute and State University by all Federal Agencies of the United States of America, in accordance with the cost principles mandated by 2 CFR Part 220. These rates shall be used for forward pricing and billing purposes for the Virginia Polytechnic Institute and State University Fiscal Year 2013. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2013.

SECTION I: RATES - TYPE: Fixed with Carry-forward (FIXED) and Provisional (PROV)

Fringe Benefits Rates:

<u>Type</u>	<u>From</u>	<u>To</u>	<u>Rate</u>	<u>Base</u>	<u>Applicable To</u>	<u>Location</u>
FIXED	7/1/12	6/30/13	28.50%	(a)	Regular Faculty	All
PROV	7/1/13	6/30/14	29.25%	(a)	Regular Faculty	All
FIXED	7/1/12	6/30/13	31.00%	(a)	Special Research Faculty	All
PROV	7/1/13	6/30/14	31.25%	(a)	Special Research Faculty	All
FIXED	7/1/12	6/30/13	19.50%	(a)	Part Time Faculty	All
PROV	7/1/13	6/30/14	17.00%	(a)	Part Time Faculty	All
FIXED	7/1/12	6/30/13	37.75%	(a)	Classified	All
PROV	7/1/13	6/30/14	40.00%	(a)	Classified	All
FIXED	7/1/12	6/30/13	8.50%	(a)	Wages	All
PROV	7/1/13	6/30/14	7.75%	(a)	Wages	All
FIXED	7/1/12	6/30/13	7.75%	(a)	Graduate Student	All
PROV	7/1/13	6/30/14	8.50%	(a)	Graduate Student	All

DISTRIBUTION BASE

(a) Salaries and Wages

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 grantee/contractor were included in its indirect cost pool as finally accepted and that all such costs are legal obligations of the grantee/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 contractor/grantee, 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. 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. CARRY FORWARD AMOUNTS: The following carry-forward amounts were considered in the establishment of the FY 2013 rates:

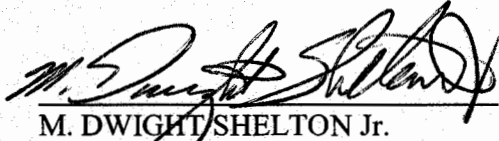
Fiscal Yr:	Regular Faculty	Special Research Faculty	Part-Time Faculty	Classified	Wages	Graduate Students
2011 Final	(\$3,131,610)	(\$665,538)	\$10,646	(\$3,811,983)	\$272,748	(\$159,273)

Note: () denotes over-recovery

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 220. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and other transactions to which 2 CFR 220 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 which have or intend to issue or award grants and contracts using these rates or to otherwise provide such agencies with documentary notice of this agreement and its terms and conditions.

Accepted:

FOR VIRGINIA POLYTECHNIC
INSTITUTE and STATE UNIVERSITY:



M. DWIGHT SHELTON Jr.
Vice President for Finance
and Chief Financial Officer

July 2, 2012
Date

FOR THE U.S. GOVERNMENT:



DEBORAH K. RAFI
Contracting Officer

7-5-2012
Date

For information concerning this agreement contact:

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