

TO: Virginia Tech Community of Research Administrators (VTCoRA)
FROM: Diana Alexander, Cost Accounting Manager
DATE: June 22, 2017
SUBJECT: FY18 Fixed and FY19 Provisional Fringe Benefits Rates

The Office of Naval Research has now finalized the fixed fringe benefit rates for FY18 and established provisional rates for FY19. Rates have continued to increase due to the rising costs of health insurance and VRS benefits paid on behalf of employees.

The chart below documents the fringe benefits rates to be applied in Banner for FY18. For consistency purposes, these rates also apply to the university cost sharing tracker system.

Employee Category	FY18 Fixed Rates	FY19 Provisional Rates
Faculty	35.25%	37.00%
Research Faculty	37.25%	39.25%
Part Time Faculty	26.75%	28.50%
Classified	52.75%	56.25%
Wages	7.50%	7.75%
Graduate Students	11.50%	12.25%

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 the rates agreed to herein is predicated upon all of the following conditions: (1) that no costs other than those incurred by the recipient were included in this indirect cost pool as finally accepted and that such costs are legal obligations of the recipient 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 have been accorded consistent accounting treatment; and (4) that the information provided by the recipient, which was used as the basis for acceptance of the rates agreed to herein and expressly relied upon by the Government in negotiating and accepting 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 the agreement was negotiated. Changes to the method(s) of accounting for costs which affect 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 costs 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 in this agreement are based on estimates of the costs for FY 2018. When actual costs for the period are determined, an adjustment will be made to the rates of a future year to recognize the difference between the FY 2018 estimated costs used to establish the fixed rates and the negotiated actual FY 2018 costs.

D. CARRY FORWARD AMOUNTS: The following carry-forward amounts were considered in the establishment of the FY 2018 rates:

Fiscal Year: 2016 Final CFW

Regular Faculty	(\$1,249,901)
Research Faculty	(\$748,422)
Part Time Faculty	(\$1,203)
Classified	(\$1,284,602)
Wages	(\$237,220)
Graduate Student	\$434,636

Note: () denotes over-recovery

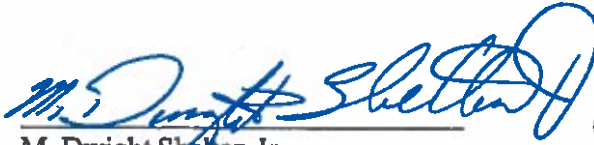
E. PROVISIONAL RATES: The provisional rates contained in this agreement are subject to unilateral amendment by the Government or bilateral amendment by the contracting parties at any time.

F. 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.

Accepted:

FOR VIRGINIA POLYTECHNIC
INSTITUTE and STATE UNIVERSITY:

FOR THE U.S. GOVERNMENT:


M. Dwight Shelton Jr.
Vice President for Finance
and Chief Financial Officer


Betty J. Tingle
Contracting Officer

June 20, 2017
Date

6/22/17
Date

For information concerning this agreement contact:

Betty Tingle, Contract Specialist
Office of Naval Research

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