



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

IN REPLY REFER TO:

Agreement Date: April 29, 2008

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 provisions and cost principles mandated by 2 CFR Part 220 – formerly Office of Management and Budget (OMB) Circular A-21. These rates shall be used for forward pricing and billing purposes at Virginia Polytechnic Institute and State University for Fiscal Year 2008 and 2009. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2008 and 2009.

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

FRINGE BENEFITS RATES

TYPE	FROM	TO	RATE	BASE	APPLICABLE TO	LOCATION
Fixed	7/1/07	6/30/08	32.50%	(a)	Regular Faculty	All
Prov	7/1/08	6/30/09	35.25%	(a)	Regular Faculty	All
Fixed	7/1/07	6/30/08	35.25%	(a)	Special Research Faculty	All
Prov	7/1/08	6/30/09	38.00%	(a)	Special Research Faculty	All
Fixed	7/1/07	6/30/08	21.50%	(a)	Part-Time Faculty	All
Prov	7/1/08	6/30/09	27.00%	(a)	Part-Time Faculty	All
Fixed	7/1/07	6/30/08	45.00%	(a)	Classified	All
Prov	7/1/08	6/30/09	49.00%	(a)	Classified	All
Fixed	7/1/07	6/30/08	7.00%	(a)	Wages	All
Prov	7/1/08	6/30/09	6.75%	(a)	Wages	All
Fixed	7/1/07	6/30/08	7.00%	(a)	Graduate Student	All
Prov	7/1/08	6/30/09	6.75%	(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 the rates agreed to herein is predicated upon all of the following conditions: (1) that no costs other than those incurred by the grantee/contractor were included in this indirect cost pool as finally accepted and that such costs are legal obligations of the grantee/contractor and allowable under governing regulations; (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 grantee/contractor, 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. 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 220 – formerly OMB Circular A-21. Accordingly, such rates shall be applied to the extent provided in such regulation to grants and contracts to which 2 CFR Part 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.

D. FIXED RATES WITH CARRY-FORWARD PROVISIONS: The Fringe Benefits rates contained in this agreement are based on estimates of the costs for FY 2008. When the actual costs for FY 2008 are determined, adjustments will be made to the rates of a future year to recognize the difference between the FY 2008 estimated costs used to establish the fixed rates and the negotiated actual FY 2008 costs.


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. LIQUIDATION OF CARRY-FORWARD AMOUNTS: The fixed rates set forth in SECTION I include the liquidation of the following carry-forward amounts from Fiscal Year(s) 2004 and 2006:

<u>Institute Under / (Over) recovery Liquidated in FY 2008 Fixed Rates</u>					
	Special Research				
Fiscal Yr:	Reg Faculty	Faculty	Classified	Wages/PT	Students
2004	\$3,500,000	\$400,000	\$2,480,000	\$-0-	\$-0-
2006	(\$883,146)	(\$29,818)	(\$678,454)	(\$524,841)	(\$578,539)

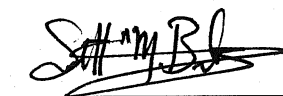
Acceptance:

FOR VIRGINIA POLYTECHNIC
INSTITUTE and STATE UNIVERSITY:



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

FOR THE GOVERNMENT:



SCOTT M. BUKOVEC
Contracting Officer

Date: May 4, 2008

Date: 5 / 12 / 08

For information concerning this agreement contact:

OFFICE OF NAVAL RESEARCH
Indirect Cost Branch (BD0242)
875 N. Quincy St, Rm 373
Arlington, VA 22203-1995

Negotiator: Scott M. Bukovec
PHONE: 703.696.2586
FAX: 703.696.2870
E-mail: scott.bukovec@navy.mil



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NEGOTIATION AGREEMENT

FY 2006 FINAL RATES AND CARRY-FORWARDS

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

ONR Indirect Cost Rate Agreement dated February 15, 2006, established Fixed Fringe Benefit Rates and Carry-forward provisions for Virginia Polytechnic Institute and State University's FY 2006, ending June 30, 2006.

The purpose of this Negotiation Agreement is to record agreement on the carry-forward amounts resulting from the determination of actual costs for FY 2006.

The carry-forward amounts and rates listed below are based upon Virginia Polytechnic Institute and State University's proposal for FY 2006 actual costs dated February 28, 2007, and DCAA Audit Report No. 1281-2007B23000001 dated May 1, 2007. These rates have been determined in accordance with the provisions of 2 CFR Part 220 – formerly Office of Management and Budget (OMB) Circular A-21.

CARRY-FORWARD AMOUNTS

The carry-forward amounts resulting from the establishment of FY 2006 final costs are as follows:

<u>FY 2006 CFW Amounts</u> <u>By Rate Category</u>	<u>Liquidated in</u> <u>FY 2008 Fixed Rates</u>		<u>CFW Balances</u> <u>To Be Liquidated</u>	
FRINGE BENEFITS:	Rate Category	Amount	Rate Category	Amount
Regular Faculty (\$883,146)	Regular Faculty	(\$883,146)	Regular Faculty	\$ -0-
Special Research Faculty (\$29,818)	Special Research	(\$29,818)	Special Research	\$ -0-
Classified (\$678,454)	Classified	(\$678,454)	Classified	\$ -0-
Wages/Part-Time (\$524,841)	Wages/Part-Time	(\$524,841)	Wages/Part-Time	\$ -0-
Graduate Student (\$578,539)	Graduate Student	(\$578,539)	Graduate Student	\$ -0-

Note: () denotes Over-recovery

FRINGE BENEFITS

TYPE	FROM	TO	RATE	BASE	APPLICABLE TO	LOCATION
Actual	7/1/05	6/30/06	29.33%	(a)	Regular Faculty	All
Actual	7/1/05	6/30/06	32.07%	(a)	Special Research Faculty	All
Actual	7/1/05	6/30/06	39.93%	(a)	Classified	All
Actual	7/1/05	6/30/06	7.51%	(a)	Wages & Part-Time	All
Actual	7/1/05	6/30/06	4.73%	(a)	Graduate Student	All

DISTRIBUTION BASE

(a) Salaries and Wages


The undersigned hereby declare that the terms of this document have been completely read, are fully understood and voluntarily accepted.

The individuals executing this agreement are authorized to execute for and on behalf of the parties for whom they sign and do so as their free and voluntary act, recognizing this agreement sets forth the entire agreement and understanding between the parties.

Endorsement of this negotiation agreement indicates acceptance of the FY 2006 actual rates and final carry-forward amounts. The terms of this negotiation agreement are subject to all regulations and statutes applicable to any contract, grant or other agreement that includes the provisions of 2 CFR Part 220 – formerly Office of Management and Budget (OMB) Circular A-21. The terms of this negotiation agreement will not change any monetary ceilings or statutory limitations applicable to individual Federal contract, grant or other agreement with Virginia Polytechnic Institute and State University.

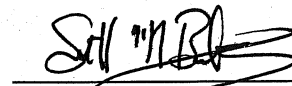
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