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

Agreement date: December 20, 2013
Supersedes Agreement Dated: July 2, 2013

NEGOTIATION AGREEMENT

Institution: UNIVERSITY OF DELAWARE
NEWARK, DELAWARE 19716-4005

The Fringe Benefits Rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to the University of Delaware by all Federal Agencies of the United States of America, in accordance with the cost principles mandated by 2 CFR 220. These rates shall be used for forward pricing and billing purposes for the University of Delaware’s Fiscal Years 2014. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2014.

SECTION I: RATES – TYPE: FIXED WITH CARRY-FORWARD PROVISIONS (Fixed)

<table>
<thead>
<tr>
<th>Type</th>
<th>From</th>
<th>To</th>
<th>Rate</th>
<th>Base</th>
<th>Applicable To</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fixed</td>
<td>7/1/13</td>
<td>6/30/14</td>
<td>34.7%</td>
<td>Faculty/Prof. Employees</td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>Fixed</td>
<td>7/1/13</td>
<td>6/30/14</td>
<td>58.4%</td>
<td>Staff Employees</td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>Fixed</td>
<td>7/1/13</td>
<td>6/30/14</td>
<td>3.5%</td>
<td>Graduate Students</td>
<td>All</td>
<td></td>
</tr>
<tr>
<td>Fixed</td>
<td>7/1/13</td>
<td>6/30/14</td>
<td>8.0%</td>
<td>Other*</td>
<td>All</td>
<td></td>
</tr>
</tbody>
</table>

*excludes student wages exempt from FICA.

SECTION II – DISTRIBUTION BASES:

(a) Salaries and Wages

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 the following conditions: (1) that no costs other than those incurred by the grantee/contractor were included in the 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 have been accorded consistent accounting treatment; and (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 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 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. 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 FY 2014. When actual costs for these fiscal years are determined, adjustments will be applied to the next subsequent rate negotiation to recognize the difference between the FY 2014 estimated costs used to establish the fixed rates and the negotiated actual FY 2014 costs.

D. **Carry Forward Amounts:**
   1. The Office of Naval Research Negotiation Agreement dated November 29, 2011 established fixed rates with carry-forward provisions for Staff Benefits rates for the University of Delaware’s fiscal year ending June 30, 2012. This negotiation agreement records agreement on the carry-forward amounts resulting from determination of actual costs for FY 2012. These costs have been determined in accordance with the provisions of 2 CFR 220.

<table>
<thead>
<tr>
<th>Benefit Category</th>
<th>FY 2012 CFW Amount</th>
<th>Liquidated in FY 2014 Rate</th>
<th>CFW Balance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty/Prof. Employees</td>
<td>$2,297,118</td>
<td>$2,297,118</td>
<td>$0</td>
</tr>
<tr>
<td>Staff Employees</td>
<td>$369,135</td>
<td>$369,135</td>
<td>$0</td>
</tr>
<tr>
<td>Graduate Students</td>
<td>($451,634)</td>
<td>($451,634)</td>
<td>$0</td>
</tr>
<tr>
<td>Other</td>
<td>$331</td>
<td>$331</td>
<td>$0</td>
</tr>
</tbody>
</table>

   2. The Fixed Staff Benefits rates set forth in SECTION I are inclusive of the Final 2012 carry-forward amounts shown above, which are liquidated in their entirety.

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 and contracts to which 2 CFR 220 applies, subject to any limitations in paragraph A above. 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 as a means of providing them with early notification of the agreement contained herein.
D. SPECIAL REMARKS: The Government's agreement with the rates set forth in Section I is not an acceptance of the University of Delaware's accounting practices or methodologies. Any reliance by the Government on cost data or methodologies submitted by University of Delaware is on a non-precedence-setting basis and does not imply Government acceptance.

FOR THE UNIVERSITY OF DELAWARE:  

Scott R. Douglass  
Executive Vice President & University Treasurer  
12/20/13  
Date

FOR THE U.S. GOVERNMENT:  

Linda B. Shipp  
Contracting Officer  
12-20-2013  
Date

For information concerning this agreement contact:  
Linda B. Shipp, linda.shipp@navy.mil, (703) 696-8559, FAX (703) 696-2870  
Office of Naval Research, Indirect Cost Branch (BD0242, Rm 368)  
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