



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Portfolio  
Cost Allocation Services

90 7<sup>th</sup> Street, Suite 4-600  
San Francisco, CA 94103-6705  
PHONE: (415) 437-7820  
FAX: (415) 437-7823  
EMAIL: [CAS-SF@psc.hhs.gov](mailto:CAS-SF@psc.hhs.gov)

July 10, 2020

Adam Rosheim  
Vice President of Finance and Administration  
University of South Dakota  
414 East Clark Street  
Vermillion, SD 57069

Dear Mr. Rosheim:

A copy of an indirect cost rate agreement is being sent to you for signature. This agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indirect costs on grants and contracts with the Federal Government.

Please have the agreement signed by an authorized representative of your organization and return within ten business days of receipt. The signed agreement can be sent to me by email, while retaining the copy for your files. Only when the signed agreement is returned, will we then reproduce and distribute the agreement to the appropriate awarding organizations of the Federal Government for their use.

An indirect cost proposal, together with the supporting information, is required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Therefore, your next proposal based on actual costs for the fiscal year ending 06/30/22, is due in our office by 12/31/22. Please submit your next proposal electronically via email to [CAS-SF@psc.hhs.gov](mailto:CAS-SF@psc.hhs.gov).

Sincerely,

Arif M. Karim -S

Digitally signed by Arif M.  
Karim -S  
Date: 2020.07.14 16:03:30  
-05'00'

Arif Karim, Director  
Cost Allocation Services

Enclosure

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY EMAIL

**UNIVERSITY OF SOUTH DAKOTA  
FACILITIES AND ADMINISTRATIVE COST RATES  
FOR THE PERIOD JULY 1, 2018 THROUGH JUNE 30, 2023**

EXHIBIT A

	ORGANIZED RESEARCH JULY 1, 2018 - JUNE 30, 2020		ORGANIZED RESEARCH JULY 1, 2020 - JUNE 30, 2021		ORGANIZED RESEARCH JULY 1, 2021 - JUNE 30, 2022		ORGANIZED RESEARCH JULY 1, 2022 - JUNE 30, 2023	
	ON-CAMPUS	OFF-CAMPUS	ON-CAMPUS	OFF-CAMPUS	ON-CAMPUS	OFF-CAMPUS	ON-CAMPUS	OFF-CAMPUS
BUILDING DEPRECIATION	5.00%		5.35%		5.48%		5.60%	
BUILDING INTEREST	2.20%		2.38%		2.41%		2.45%	
EQUIPMENT DEPRECIATION	3.10%		3.32%		3.39%		3.47%	
OPERATIONS & MAINTENANCE	9.90%		10.59%		10.84%		11.09%	
LIBRARY	0.80%		0.86%		0.88%		0.89%	
GENERAL ADMIN	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%	6.10%
DEPT ADMIN	16.20%	16.20%	16.20%	16.20%	16.20%	16.20%	16.20%	16.20%
SPON PROJ ADMIN	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%	3.70%
STUDENT SERV ADMIN	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ADMIN COMPONENTS	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
TOTAL	47.00%	26.00%	48.50%	26.00%	49.00%	26.00%	49.50%	26.00%

	INSTRUCTION JULY 1, 2018 - JUNE 30, 2020		OTHER SPON ACT JULY 1, 2018 - JUNE 30, 2020		INSTRUCTION JULY 1, 2020 - JUNE 30, 2023		OTHER SPON ACT JULY 1, 2020 - JUNE 30, 2023	
	ON-CAMPUS	OFF-CAMPUS	ON-CAMPUS	OFF-CAMPUS	ON-CAMPUS	OFF-CAMPUS	ON-CAMPUS	OFF-CAMPUS
BUILDING DEPRECIATION	3.70%		0.20%		3.89%		0.25%	
BUILDING INTEREST	1.00%		0.00%		1.05%		0.00%	
EQUIPMENT DEPRECIATION	0.40%		0.10%		0.42%		0.13%	
OPERATIONS & MAINTENANCE	7.00%		1.20%		7.35%		1.50%	
LIBRARY	7.90%		0.50%		8.30%		0.63%	
GENERAL ADMIN	5.60%	5.60%	6.10%	6.10%	5.60%	5.60%	6.10%	6.10%
DEPT ADMIN	11.70%	11.70%	12.80%	12.80%	11.70%	11.70%	12.80%	12.80%
SPON PROJ ADMIN	3.60%	3.60%	7.10%	7.10%	3.60%	3.60%	7.10%	7.10%
STUDENT SERV ADMIN	5.10%	5.10%	0.00%	0.00%	5.10%	5.10%	0.00%	0.00%
ADMIN COMPONENTS	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%	26.00%
TOTAL	46.00%	26.00%	28.00%	26.00%	47.00%	26.00%	28.50%	26.00%

ADMINISTRATIVE COMPONENTS ARE CAPPED AT 26.0% IN ACCORDANCE WITH OMB Uniform Guidance 2 CFR 200.

CONCUR:

(SIGNATURE)

*VP, Finance & Admin.*

TITLE

*7/23/20*

DATE

**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN:

DATE:07/10/2020

ORGANIZATION:

FILING REF.: The preceding agreement was dated 01/06/2015

University of South Dakota  
414 East Clark  
Slagle Hall, Room 209  
Vermillion, SD 57069-2390

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: Facilities And Administrative 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	07/01/2018	06/30/2020	47.00	On-Campus	Organized Research
PRED.	07/01/2020	06/30/2021	48.50	On-Campus	Organized Research
PRED.	07/01/2021	06/30/2022	49.00	On-Campus	Organized Research
PRED.	07/01/2022	06/30/2023	49.50	On-Campus	Organized Research
FINAL	07/01/2018	06/30/2020	46.00	On-Campus	Instruction
PRED.	07/01/2020	06/30/2023	47.00	On-Campus	Instruction
FINAL	07/01/2018	06/30/2020	28.00	On-Campus	Other Sponsored Activities
PRED.	07/01/2020	06/30/2023	28.50	On-Campus	Other Sponsored Activities
FINAL	07/01/2018	06/30/2020	26.00	Off-Campus	(1)
PRED.	07/01/2020	06/30/2023	26.00	Off-Campus	(1)

---

ORGANIZATION: University of South Dakota

AGREEMENT DATE: 7/10/2020

---

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PROV.	07/01/2023	Until Amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2023.

(1) Organized Research, Instruction, and Other Sponsored Activities.

\*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.

ORGANIZATION: University of South Dakota

AGREEMENT DATE: 7/10/2020

---

---

**SECTION II: SPECIAL REMARKS**

---

TREATMENT OF FRINGE BENEFITS:

This organization charges the actual cost of each fringe benefit direct to Federal projects. However, it uses a fringe benefit rate which is applied to salaries and wages in budgeting fringe benefit costs under project proposals. The following fringe benefits are treated as direct costs:

FICA, RETIREMENT, UNEMPLOYMENT COMPENSATION, HEALTH/LIFE INSURANCE, AND WORKERS COMPENSATION.

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.

OFF-CAMPUS DEFINITION: A project is considered off-campus if the activity is conducted at locations other than in University owned or operated facilities and indirect costs associated with physical plant and library are not considered applicable to the project.

DEFINITION OF EQUIPMENT

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.

NEXT PROPOSAL DUE DATE

A proposal based on actual costs for fiscal year ending June 30, 2022 will be due no later than December 31, 2022.

ORGANIZATION: University of South Dakota

AGREEMENT DATE: 7/10/2020

**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 Dakota

(INSTITUTION)



(SIGNATURE)

Adam Rosham

(NAME)

VP, Finance & Admin.

(TITLE)

7/23/20

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Arif M. Karim -S Digitally signed by Arif M. Karim -S  
Date: 2020.07.14 16:01:48 -05'00'

(SIGNATURE)

Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

7/10/2020

(DATE) 7146

HHS REPRESENTATIVE: Stanley Huynh

Telephone: (415) 437-7820