



DEPARTMENT OF HEALTH & HUMAN SERVICES

Financial Management Portfolio  
Cost Allocation Services

7700 Wisconsin Avenue, Suite 2301  
Bethesda, MD 20814  
PHONE: (301) 492-4855  
FAX: (301) 492-5081  
E-mail: [CAS-Bethesda@psc.hhs.gov](mailto:CAS-Bethesda@psc.hhs.gov)

February 3, 2022

Howard Schramm  
Chief Admin. Officer  
Texas Heart Institute  
6770 Bertner Ave. C350  
Houston, TX 77225-0345

Dear Mr. Schramm,

A copy of the facilities and administrative (F&A) 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 rates 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 10 business days of receipt. The signed agreement can be sent to me by email it to [CAS-Bethesda@psc.hhs.gov](mailto:CAS-Bethesda@psc.hhs.gov), while retaining the copy for your files. Only when the signed agreement is returned, we will then reproduce and distribute the agreement to the appropriate awarding organizations of the Federal Government for their use.

An F&A cost proposal, together with the supporting information, are required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending 12/31/2023, will be due in our office by 06/30/2024. Please submit the proposal to [CAS-Bethesda@psc.hhs.gov](mailto:CAS-Bethesda@psc.hhs.gov).

Sincerely,  
Darryl W.  
Mayes -S

Digitally signed by Darryl W. Mayes -S  
DN: cn=US, ou=U.S. Government,  
ou=HHS, ou=PSC, ou=People,  
o=9.2342.19200300.100.1.1=200013166  
9, cn=Darryl W. Mayes -S  
Date: 2022.02.07 09:10:32 -05'00'

Darryl W. Mayes  
Deputy Director  
Cost Allocation Services

Enclosures

PLEASE SIGN AND RETURN A COPY OF THE RATE AGREEMENT

**NONPROFIT RATE AGREEMENT**

EIN: 1746053200A1

DATE:01/27/2022

ORGANIZATION:

FILING REF.: The preceding agreement was dated 09/28/2017

Texas Heart Institute

P.O. Box 20345

Houston, TX 77225-0345

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.

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**SECTION I: INDIRECT COST RATES**

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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	01/01/2021	12/31/2021	63.00	On Site	All Programs
PRED.	01/01/2022	12/31/2022	65.00	On Site	All Programs
PRED.	01/01/2023	12/31/2023	67.00	On Site	All Programs
PROV.	01/01/2024	12/31/2026			Use same rates and conditions as those cited for fiscal year ending December 31, 2023.

\*BASE

ORGANIZATION: Texas Heart Institute

AGREEMENT DATE: 1/27/2022

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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: Texas Heart Institute

AGREEMENT DATE: 1/27/2022

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**SECTION II: SPECIAL REMARKS**

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TREATMENT OF FRINGE BENEFITS:

The fringe benefits are charged using a rate(s) which are not shown in the Rate Agreement. Over/under recoveries from actual costs are adjusted in current or future periods. The directly claimed fringe benefits are listed below.

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.

Fringe Benefits include FICA, Worker's Compensation, Health Insurance, Dental Insurance, Parking, Retirement, Unemployment, Insurance, Long Term Disability Insurance and Life Insurance

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.

Your next indirect cost proposal based on actual costs for the fiscal year ending 12/31/2023 is due in our office by 06/30/2024.

ORGANIZATION: Texas Heart Institute

AGREEMENT DATE: 1/27/2022

**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 indirect cost pool 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 indirect 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 indirect 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 indirect 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 indirect costs allocable to these programs.

BY THE INSTITUTION:

Texas Heart Institute

(INSTITUTION)

(SIGNATURE)

(NAME)

(TITLE)

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Darryl W. Mayes -

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(SIGNATURE)

Darryl W. Mayes

(NAME)

Deputy Director, Cost Allocation Services

(TITLE)

1/27/2022

(DATE) 6580

HHS REPRESENTATIVE: Lucy Siow

Telephone: (301) 492-4855