

## NONPROFIT RATE AGREEMENT

EIN #:

DATE: May 31, 2002

## ORGANIZATION:

Desert Research Institute  
2215 Raggio ParkwayFILING REF.: The preceding  
Agreement was dated  
July 19, 2001

Reno

NV

89512-1095

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: INDIRECT COST RATES\*

RATE TYPES:		FIXED	FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)
TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
PRED.	07/01/02	06/30/03	63.0	On-Site	(1)
PRED.	07/01/02	06/30/03	43.5	Off-Site	(1)
PRED.	07/01/02	06/30/03	73.0	On-Site	(2)
PRED.	07/01/02	06/30/03	51.5	Off-Site	(2)
PRED.	07/01/03	06/30/04	61.0	On-Site	(1)
PRED.	07/01/03	06/30/04	41.5	Off-Site	(1)
PRED.	07/01/03	06/30/04	71.0	On-Site	(2)
PRED.	07/01/03	06/30/04	49.5	Off-Site	(2)
PRED.	07/01/04	06/30/05	59.0	On-Site	(1)
PRED.	07/01/04	06/30/05	39.5	Off-Site	(1)
PRED.	07/01/04	06/30/05	69.0	On-Site	(2)
PRED.	07/01/04	06/30/05	47.5	Off-Site	(2)
PROV.	07/01/05	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2005.		

- (1) Research awards by agencies which do not allow independent research and development.  
 (2) Research awards by agencies which allow independent research and development.

## \*BASE:

Total direct costs excluding capital expenditures (buildings, individual items of equipment, alterations and renovations), and that portion of each subaward in excess of \$25,000.

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SECTION I: FRINGE BENEFITS RATES\*\*

RATE TYPES:		FIXED	FINAL	PROV. (PROVISIONAL)	PRED. (PREDETERMINED)
TYPE	EFFECTIVE PERIOD		RATE(%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
FIXED	07/01/02	06/30/03	38.6	All	Professionals
FIXED	07/01/02	06/30/03	23.9	All	Post Doctoral
FIXED	07/01/02	06/30/03	41.8	All	Technical
FIXED	07/01/02	06/30/03	12.9	All	Graduate Students
FIXED	07/01/02	06/30/03	8.2	All	(1)
PROV.	07/01/03	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending June 30, 2003.		

(1) Hourly/Letter of Appointment

\*\*DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages excluding vacation, sick leave pay and other paid absences.

(2)

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SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

This organization uses a fringe benefit rate which is applied to salaries and wages for both budgeting and charging purposes for Federal projects.

TREATMENT OF PAID ABSENCES:

The costs of vacation, sick leave pay and other paid absences are included in the organization's fringe benefit rate and are not included in the direct cost of salaries and wages. Claims for direct salaries and wages must exclude those amounts paid or accrued to employees for periods when they are on vacation, sick leave or are otherwise absent from work.

DEFINITION OF OFF-SITE

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

DEFINITION OF EQUIPMENT

Equipment is defined as tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$2,000 or more per unit.

The following fringe benefits are included in the fringe benefit rate(s):

FICA, HEALTH INSURANCE, VACATION, SICK LEAVE, UNEMPLOYMENT, GRANT-IN-AID, DISABILITY INSURANCE, MEDICARE, AND RETIREMENT PLAN.

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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 Office of Management and Budget Circular A-112 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the agreement.

BY THE ORGANIZATION:  
Desert Research Institute

BY THE COGNIZANT AGENCY  
ON BEHALF OF THE FEDERAL GOVERNMENT.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

*David S. Low*

(SIGNATURE)

David S. Low

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION

(TITLE)

May 31, 2002

(DATE) 0117

HHS REPRESENTATIVE: John Gallacher  
Telephone: (415) 437-7820

(ORGANIZATION)

*William J. O'Donnell*

(SIGNATURE)

William J. O'Donnell

(NAME)

Assistant Vice President and Controller

(TITLE)

June 14, 2002

(DATE)