



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

Agreement Date: June 28, 2018

NEGOTIATION AGREEMENT

**INSTITUTION: MASSACHUSETTS INSTITUTE OF TECHNOLOGY
 CAMBRIDGE, MA 02139-4307**

The Facilities and Administrative (F&A) and Employee Benefit cost rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to the Massachusetts Institute of Technology by all Federal Agencies of the United States of America, in accordance with the provisions and cost principles mandated by 2 CFR Part 200. These rates shall be used for forward pricing and billing purposes for the Massachusetts Institute of Technology Fiscal Year 2019.

Section I: RATES - TYPE: PROVISIONAL (PROV)

F&A Rates:

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>	<u>LOCATION</u>
PROV	7/1/2018	6/30/2019	55.0%	(a)	Organized Research	On Campus
PROV	7/1/2018	6/30/2019	4.7%	(a)	Organized Research	Off Campus

Employee Benefits Rates:

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE</u>	<u>BASE</u>	<u>APPLICABLE TO</u>	<u>LOCATION</u>
PROV	7/1/2018	6/30/2019	25.0%	(b)	Full Time Non-Student Employees	On Campus
PROV	7/1/2018	6/30/2019	23.0%	(c)	Full Time Non-Student Employees	Off Campus
PROV	7/1/2018	6/30/2019	7.7%	(d)	Part Time Employees and non-Registered MIT Students	On/Off Campus
PROV	7/1/2018	6/30/2019	8.1%	(e)	Full Time Research Employees	On Campus
PROV	7/1/2018	6/30/2019	9.9%	(f)	Full Time Research Employees	Off Campus

DISTRIBUTION BASES

- (a) Modified Total Direct Cost (MTDC), 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). MTDC excludes 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.
- (b) The MIT On-campus salary base consists of salaries and wages of all full time non-student MIT employees charged to MIT general (not research) accounts and MIT Research On-campus accounts.
- (c) The MIT Off-campus salary base consists of salaries and wages of all full time non-student MIT employees charged to MIT Research Off-campus accounts and Lincoln Laboratory.
- (d) The MIT salary base consists of salaries and wages of all part time employees and non-registered MIT students (on and off campus).
- (e) The MIT Vacation Leave On campus base consists of salaries and wages of all full time non-student, non-faculty MIT research personnel (Research Staff, Hourly Personnel, Project Support Staff, and Tech/Admin Support) charged to MIT Research On-campus accounts.
- (f) The MIT Vacation Leave Off campus salary base consists of salaries and wages of all full time non-student, non-faculty MIT research personnel (Research Staff, Hourly Personnel, Project Support Staff, and Tech/Admin Support) charged to MIT Research Off-campus accounts and Lincoln Laboratory.

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 any or all of the rates agreed to herein is predicated upon all the following conditions: (1) that no costs other than those incurred by the recipient/contractor were included in its indirect cost pool as finally accepted and that all such costs are legal obligations of the recipient/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, in like circumstances, have been accorded consistent accounting treatment; (4) that the information provided by the recipient/contractor, which was used as the basis for the acceptance of the rates agreed to herein and expressly relied upon by the Government in negotiating 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 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 cost from indirect to direct. Failure to obtain such approval may result in subsequent cost disallowances.

C. 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.

D. 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 200. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and other agreements to which 2 CFR Part 200 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 to provide such agencies with documentary notice of this agreement and its terms and conditions.

E. SPECIAL REMARKS:

1. Off Campus rates are used when the preponderance of effort is performed at Lincoln Laboratory, Haystack Observatory or other off-site locations.

2. The Government's agreement with the rates set forth in Section I is not an acceptance of the MIT's accounting practices or methodologies. Any reliance by the Government on cost data or methodologies submitted by MIT is on a non-precedence-setting basis and does not imply Government acceptance.

3. Signature of this agreement by the authorized representatives of MIT and the Government acknowledges and affirms the Institute's request for waiver of the prohibition contained in DFARS 231.303 (1) and the Government's exercise of its discretion contained in DFARS 231.303 (2) to waive the prohibition in DFARS 231.303 (1). The waiver request by MIT is made to simplify the Institute's overall management of DOD cost reimbursement under DOD contracts.

FOR MASSACHUSETTS INSTITUTE
OF TECHNOLOGY:


MICHELLE D. CHRISTY
Director, Office of Sponsored Programs

Date

6/29/2018

FOR THE U.S. GOVERNMENT:

SHEA D. KERSEY
Contracting Officer

Date

June 29, 2018

For information concerning this agreement contact:
Shea Kersey, Contracting Officer
Office of Naval Research

Phone: (703) 696-2055
E-mail: shea.kersey@navy.mil