



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

IN REPLY REFER TO:

Agreement Date: March 14, 2025

NEGOTIATION AGREEMENT

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

The Facilities and Administrative (F&A) 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 Years 2025 and 2026. This rate agreement supersedes all previous rate agreements/determinations related to these rates for Fiscal Years 2025 and 2026.

Section I: RATES - TYPE: FIXED (FIXED)

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>
Fixed	7/1/2024	6/30/2025	58.3%	(a)	Organized Research (1)	On Campus
Fixed	7/1/2024	6/30/2025	59.0%	(a)	Organized Research (2)	On Campus
Fixed	7/1/2024	6/30/2025	5.4%	(a)	Organized Research (1)	Off Campus
Fixed	7/1/2024	6/30/2025	6.5%	(a)	Organized Research (2)	Off Campus
Fixed	7/1/2025	6/30/2026	61.3%	(a)	Organized Research (1)	On Campus
Fixed	7/1/2025	6/30/2026	62.0%	(a)	Organized Research (2)	On Campus
Fixed	7/1/2025	6/30/2026	4.8%	(a)	Organized Research (1)	Off Campus
Fixed	7/1/2025	6/30/2026	5.9%	(a)	Organized Research (2)	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.

(1) Applies to all awards subject to Executive Level II Salary Limitations as defined in the provisions of HHS Appropriation Act (PUB.L. No. 117-328, div. H, title II) or similar provision in subsequent appropriations acts.

(2) Applies to all awards not subject to the HHS Appropriation Act cited above.

SECTION II - GENERAL TERMS AND CONDITIONS

A. LIMITATIONS: Use of the rates set forth under Section I is subject to availability of funds and to any other statutory or administrative limitations. The rates are 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 the following conditions: (1) that no costs other than those incurred by the institution were included in this indirect cost pool as finally accepted and that such costs are legal obligations of the institution 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 institution which was used as a basis for 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 the agreement was negotiated. Changes to the method(s) of accounting for costs, which affect the amount of reimbursement resulting from the use of these rates require the prior written approval of the authorized representative of the cognizant agency for indirect costs. 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 FYs 2025 and 2026. When actual costs for this fiscal year are determined, adjustments will be applied to a rate negotiation for a subsequent fiscal year to recognize the difference between the FYs 2025 and 2026 estimated costs used to establish the fixed rates and the negotiated actual FYs 2025 and 2026 costs.

D. CARRY FORWARD AMOUNTS: The following FY 2021-2023 final and FY 2024 estimated carry-forward amounts were included in the establishment of the FY 2025 and 2026 rates:

() indicates over-recovery

<u>FY 2025 Rates</u>	<u>On-Campus</u>	<u>Off -Campus</u>
FY 2021 Final	\$6,300,000	
FY 2022 Final	\$1,000,000	\$6,079,000
FY 2023 Final		\$1,000,000
 <u>FY 2026 Rates</u>		
FY 2022 Final	\$25,921,000	
FY 2023 Final		\$1,296,000
FY 2024 Estimated		(\$939,000)

E. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I are 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 applies, 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.

F. DFARS WAIVER: Signature of this agreement by the authorized representative of the Massachusetts Institute of Technology and the Government acknowledges and affirms the University's request to waive 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 the Massachusetts Institute of Technology is made to simplify the University's overall management of DoD cost reimbursements under DoD contracts.

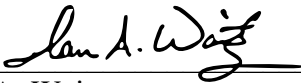
G. SPECIAL REMARKS:

1. Off Campus rates are used when the preponderance of effort is performed at Lincoln Laboratory, Haystack Observatory or other off-site locations.
2. Off Campus F&A rates are applicable to the Northeast Radio Observatory Corporation (NEROC) awards.

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

Accepted:

FOR MASSACHUSETTS INSTITUTE
OF TECHNOLOGY:



Ian A. Waitz
Vice President for Research

03/17/2025

Date

FOR THE U.S. GOVERNMENT:

Linda Morgan Wood
Contracting Officer

3/17/25

Date

For information concerning this agreement contact:

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