



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

IN REPLY REFER TO:

Agreement Date: November 25, 2024
 Supersedes Agreement Dated: June 20, 2024

NEGOTIATION AGREEMENT

**INSTITUTION: MASSACHUSETTS INSTITUTE OF TECHNOLOGY
 CAMBRIDGE, MASSACHUSETTS 02139**

The Fringe Benefits 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)

2025

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>
Fixed	7/1/24	6/30/25	23.2%	(a)	Full Time Non-Student Employees	On Campus
Fixed	7/1/24	6/30/25	20.7%	(b)	Full Time Non-Student Employees	Off Campus
Fixed	7/1/24	6/30/25	7.4%	(c)	Part Time Employees and non-Registered MIT Students	On/Off Campus

Vacation Leave Rates:

Fixed	7/1/24	6/30/25	7.2%	(d)	Full Time Research Employees	On Campus
Fixed	7/1/24	6/30/25	8.4%	(e)	Full Time Research Employees	Off Campus

2026

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>
Fixed	7/1/25	6/30/26	23.7%	(a)	Full Time Non-Student Employees	On Campus
Fixed	7/1/25	6/30/26	21.7%	(b)	Full Time Non-Student Employees	Off Campus
Fixed	7/1/25	6/30/26	8.0%	(c)	Part Time Employees and non-Registered MIT Students	On/Off Campus

Vacation Leave Rates:

Fixed	7/1/25	6/30/26	9.1%	(d)	Full Time Research Employees	On Campus
Fixed	7/1/25	6/30/26	9.1%	(e)	Full Time Research Employees	Off Campus

DISTRIBUTION BASES

- (a) The MIT On-campus 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.
- (b) The MIT Off-campus base consists of salaries and wages of all full time non-student MIT employees charged to MIT general (not research) accounts and MIT Research Off-campus accounts, including Lincoln Laboratory.
- (c) The MIT base consists of salaries and wages of all part time employees and non-registered MIT students (on and off campus).
- (d) 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.
- (e) The MIT Vacation Leave Off 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 Off-campus accounts, including Lincoln Laboratory.

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 these fiscal years are determined, adjustments will be applied to a rate negotiation for a subsequent fiscal year to recognize the difference between the FY 2025 and 2026 estimated costs used to establish the fixed rates and the negotiated actual FY 2025 and 2026 costs.

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

() Represents over-recovery

<u>FY 2025</u>	<u>MIT Under/(Over) Recovery</u>		
	<u>On Campus</u> \$000's*	<u>Off Campus</u> \$000's*	<u>Part Time</u> \$000's*
<u>Employee Benefits</u>			
FY 2022 Final	\$0	\$0	(\$327)
FY 2023 Final	\$0	\$0	(\$175)
<u>Vacation Leave</u>			
FY 2022 Final	(\$305)	(\$1,446)	N/A
FY 2023 Final	\$0	(\$2,704)	N/A

<u>FY 2026</u>	<u>MIT Under/(Over) Recovery</u>		
	<u>On Campus</u> \$000's*	<u>Off Campus</u> \$000's*	<u>Part Time</u> \$000's*
<u>Employee Benefits</u>			
FY 2022 Final	\$847	\$1,345	\$0
FY 2023 Final	\$210	\$492	\$0
<u>Vacation Leave</u>			
FY 2022 Final	\$0	\$0	N/A
FY 2023 Final	\$1,235	\$0	N/A

* The carry-forwards are in thousands.

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. SPECIAL REMARKS:

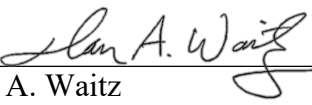
1. Off Campus rates are used when the preponderance of effort is performed at Lincoln Laboratory, Haystack Observatory or other off-site locations.
2. Off Campus Employee Benefit and Vacation Leave rates are applicable to the Northeast Radio Observatory Corporation (NEROC) awards.

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 Massachusetts Institute of Technology is on a non-precedence-setting basis and does not imply Government acceptance.

Accepted:

FOR MASSACHUSETTS INSTITUTE
OF TECHNOLOGY:

FOR THE U.S. GOVERNMENT:



Ian A. Waitz
Vice President for Research

Linda Morgan Wood
Contracting Officer

11/25/2024

11/26/24

Date

Date

For information concerning this agreement contact:

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Office of Naval Research

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