MEMORANDUM

TO: Provost, Deans, Department Heads, Principal Investigators and Project Managers
FROM: Ken Rowe  
Vice President for Administration and Finance
SUBJECT: Applicable Indirect Cost Rates

University officials have negotiated a new research indirect cost rate with the U.S. Department of Health and Human Services. The effective dates of the new rate for federal programs will be July 1, 2009 through June 30, 2013. The rate is as follows:

RESEARCH SPONSORED PROGRAMS
On Campus 48.0%
Off Campus 26.0%

In addition the University has calculated indirect cost rates on instruction, training and public service programs. This rate is not negotiated with DHHS because federal indirect cost reimbursement on those type of programs is restricted by agency to a nominal percent.

INSTRUCTION AND TRAINING SPONSORED PROGRAMS
On Campus 35.2%
Off Campus 26.0%

PUBLIC SERVICE SPONSORED PROGRAMS
On Campus 29.9%
Off Campus 26.0%

The new Indirect Cost Rates should be included on all new sponsored program proposals effective immediately.

Should you need additional information or clarification, please call Laurie Price, Manager, Grants and Contracts Accounting, at (405) 271-2177.

Copy: Terry Henson
COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 1736017987E8

INSTITUTION:
University of Oklahoma Health Sciences Center
Service Center Building-Rm. 219
P.O. Box 26901
Oklahoma City OK 73190-

DATE: October 20, 2009
FILING REF.: The preceding Agreement was dated June 23, 2008

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: FACILITIES AND ADMINISTRATIVE COST RATES*

<table>
<thead>
<tr>
<th>RATE TYPES: FIXED</th>
<th>FINAL</th>
<th>PROV. (PROVISIONAL)</th>
<th>PRED. (PREDETERMINED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TYPE</td>
<td>FROM</td>
<td>TO</td>
<td>RATE (%)</td>
</tr>
<tr>
<td>FINAL</td>
<td>07/01/07</td>
<td>06/30/09</td>
<td>46.5</td>
</tr>
<tr>
<td>FINAL</td>
<td>07/01/07</td>
<td>06/30/09</td>
<td>26.0</td>
</tr>
<tr>
<td>FINAL</td>
<td>07/01/07</td>
<td>06/30/09</td>
<td>33.7</td>
</tr>
<tr>
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<td>07/01/07</td>
<td>06/30/09</td>
<td>32.3</td>
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<td>06/30/13</td>
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<tr>
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</tr>
<tr>
<td>PRED.</td>
<td>07/01/09</td>
<td>06/30/13</td>
<td>35.2</td>
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<td>06/30/13</td>
<td>29.9</td>
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<tr>
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<td>UNTIL AMENDED</td>
<td>Use same rates and conditions as those cited for fiscal year ending June 30, 2013.</td>
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</tbody>
</table>

*BASE:
Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first $25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract).
Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of $25,000.
INSTITUTION:
University of Oklahoma Health Sciences Center

AGREEMENT DATE: October 20, 2009

SECTION I: FRINGE BENEFITS RATES*

<table>
<thead>
<tr>
<th>TYPE</th>
<th>EFFECTIVE PERIOD</th>
<th>RATE(%)</th>
<th>LOCATIONS</th>
<th>APPLICABLE TO</th>
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<tbody>
<tr>
<td>FIXED</td>
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<td>17.0</td>
<td>All</td>
<td>Res. &amp; Post Doc Fel</td>
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<tr>
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<td>31.0</td>
<td>All</td>
<td>Non Spon/Hrly &amp; Sal.</td>
</tr>
<tr>
<td>FIXED</td>
<td>07/01/08 06/30/09</td>
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<td>All</td>
<td>Spon.Hrly &amp; Salaried</td>
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<tr>
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<td>7.4</td>
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<td>Part Time Employees Students</td>
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<td>Res. &amp; Post Doc Fel</td>
</tr>
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<tr>
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<td>Spon.Hrly &amp; Salaried</td>
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<tr>
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<td>07/01/09 06/30/10</td>
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<td>All</td>
<td>Students</td>
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<td>PROV.</td>
<td>07/01/10 UNTIL AMENDED</td>
<td></td>
<td></td>
<td>Use same rates and conditions as those cited for fiscal year ending June 30, 2010.</td>
</tr>
</tbody>
</table>

Note: The State of Oklahoma requires all grants worked on by state employees to pay the States portion of the Employees Defined Benefit Retirement Plan. For FYE 6/30/10 the estimated amount is 4.5% and represents the difference between the non-sponsored hourly and salaried employees fringe benefit rate of 32.0% and the sponsored hourly and salaried employees fringe benefit rate of 36.5%.

For FYE 6/30/09 the estimated amount is 4.8% and represents the difference between the non-sponsored hourly and salaried employees fringe benefit rate of 31.0% and the sponsored hourly and salaried employees fringe benefit rate of 35.8%.

**DESCRIPTION OF FRINGE BENEFITS RATE BASE: Salaries and wages.
INSTITUTION:
University of Oklahoma Health Sciences Center

AGREEMENT DATE: October 20, 2009

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:
The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) 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 for the costs of these paid absences are not made.

OFF-CAMPUS DEFINITION: For all activities performed in facilities not owned by the institution and to which rent is directly allocated to the project(s), the off-campus rate will apply. Grants or contracts will not be subject to more than one F&A cost rate. If more than 50% of a project is performed off-campus, the off-campus rate will apply to the entire project.

FRINGE BENEFITS:

FICA
TIAA/CREF
Retirement
Disability Insurance
Worker's Compensation
Life Insurance
Unemployment Insurance
Health Insurance
Dental Insurance

Equipment Definition -

Equipment means an article of nonexpendable, tangible personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.
INSTITUTION: University of Oklahoma Health Sciences Center

AGREEMENT DATE: October 20, 2009

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 facilities and administrative cost pools 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 facilities and administrative 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 facilities and administrative 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-21 Circular, and should be applied to grants, contracts and other agreements covered by this circular, 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 facilities and administrative 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 facilities and administrative costs allocable to those programs.

BY THE INSTITUTION: 
University of Oklahoma Health Sciences Center

(SIGNATURE)
Kenneth D. Rowe

(VICE PRESIDENT FOR ADMINISTRATION AND FINANCE)
October 21, 2009

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(Director, Division of Cost Allocation)
Henry Williams

(DATE) 09/06/09

WHA REPRESENTATIVE: Henry Williams
Telephone: (214) 767-3600