

**DEPARTMENT OF THE NAVY**

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

Agreement Date: January 22, 2019
Supersedes Agreement Dated: June 28, 2018

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 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 2019 through 2020. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Years 2019 through 2020.

Section I: RATES - TYPE: FIXED (FIXED)**2019****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	7/1/18	6/30/19	25.0%	(a)	Full Time Non-Student Employees	On Campus
Fixed	7/1/18	6/30/19	23.0%	(b)	Full Time Non-Student Employees	Off Campus
Fixed	7/1/18	6/30/19	7.7%	(c)	Part Time Employees and non-Registered MIT Students	On/Off Campus

Vacation Leave Rates:

Fixed	7/1/18	6/30/19	8.1%	(d)	Full Time Research Employees	On Campus
Fixed	7/1/18	6/30/19	10.8%	(e)	Full Time Research Employees	Off Campus

2020**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	7/1/19	6/30/20	26.6%	(a)	Full Time Non-Student Employees	On Campus
Fixed	7/1/19	6/30/20	24.0%	(b)	Full Time Non-Student Employees	Off Campus
Fixed	7/1/19	6/30/20	8.2%	(c)	Part Time Employees and non-Registered MIT Students	On/Off Campus

Vacation Leave Rates:

Fixed	7/1/19	6/30/20	8.6%	(d)	Full Time Research Employees	On Campus
Fixed	7/1/19	6/30/20	11.3%	(e)	Full Time Research Employees	Off Campus

DISTRIBUTION BASES

- (a) 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.
- (b) 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.
- (c) The MIT salary 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 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. FIXED RATES WITH CARRY-FORWARD PROVISIONS: The fixed rates contained in this agreement are based on estimates of the costs for FYs 2019 and 2020. When actual costs for these fiscal years are determined, adjustments will be applied to a subsequent rate negotiation to recognize the difference between the FYs 2019 and 2020 estimated costs used to establish the fixed rates and the negotiated actual 2019 and 2020 costs.

D. CARRY-FORWARD AMOUNTS: The following carry-forward amounts were considered in the establishment of the FY 2019 through 2020 rates:

() Represents over-recovery

	MIT Under/(Over) Recovery		
	<u>On Campus</u>	<u>Off Campus</u>	<u>Part Time</u>
<u>FY 2019</u>			
Employee Benefits			
FY 2012 Final	(\$698,000)	(\$1,479,000)	
FY 2016 Est.			(\$28,000)
FY 2017 Est.	\$1,013,000	\$4,052,000	
Vacation Leave			
FY 2014 Est.		\$470,000	N/A.
FY 2015 Est.		\$1,104,000	N/A.
FY 2016 Est.	(\$349,000)		N/A.
FY 2017 Est.	\$349,000	\$1,063,000	N/A.

	MIT Under/(Over) Recovery		
	<u>On Campus</u>	<u>Off Campus</u>	<u>Part Time</u>
<u>FY 2020</u>			
Employee Benefits			
FY 2012 Final			\$9,000
FY 2017 Est.	\$1,915,000	\$5,967,000	
FY 2018 Est.	\$2,372,000	\$4,415,000	\$201,000
Vacation Leave			
FY 2017 Est.	\$267,000		N/A.
FY 2018 Est.	\$704,000	\$5,277,000	N/A.

E. 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.

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. 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.

Accepted:

FOR MASSACHUSETTS INSTITUTE
OF TECHNOLOGY:



Maria T. Zuber
Vice President for Research

01.23.19

Date

FOR THE U.S. GOVERNMENT:

Linda Morgan Wood
Contracting Officer

1/24/19

Date

For information concerning this agreement contact:

Linda Wood
Office of Naval Research

Phone: (703) 588-2254
E-mail: linda.m.wood@navy.mil