TO: University Community

FROM: Bhaskara Jasti, Interim Associate Provost
       Research & Graduate Studies

DATE: July 1, 2013

RE: New Indirect Costs and Fringe Benefit Rates Applicable to Grants and Contracts

Indirect Costs

The University has recently completed negotiations with the Department of Health and Human Services (DHHS) on the Indirect Costs (also known as Facilities and Administrative Cost) Rate Agreement. The new rates set forth below are predetermined for the period of 07/01/2013 – 06/30/2017. The new rates will apply to all new applications/proposals effective July 1, 2013 and will not affect existing awards. The existing awards will continue to use their currently awarded rates through the end of the award period.

<table>
<thead>
<tr>
<th>EFFECTIVE PERIOD</th>
<th>INDIRECT COSTS RATE (%)</th>
<th>LOCATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01/2013 – 06/30/2017</td>
<td>60.0% of salaries and wages</td>
<td>On Campus</td>
</tr>
<tr>
<td>07/01/2013 – 06/30/2017</td>
<td>23.0% of salaries and wages</td>
<td>Off Campus</td>
</tr>
</tbody>
</table>

Fringe Benefits

Proposals should also include the new fringe benefit rate of 31.20% of salaries and wages. An adjustment to true up/down the actual costs of benefits to this rate will be directly charged to the project each month end by the Controller’s Office.

The fringe benefits as identified in the Indirect Costs Agreement are as follows: Worker’s Compensation, Health/Dental/Life Insurance, Disability Insurance, Health Insurance, Retirement, and Employee Tuition Rebate.

<table>
<thead>
<tr>
<th>EFFECTIVE PERIOD</th>
<th>FRINGE BENEFITS RATE (%)</th>
<th>LOCATIONS</th>
</tr>
</thead>
<tbody>
<tr>
<td>07/01/2013 – 06/30/2017</td>
<td>31.20% of salaries and wages</td>
<td>On and Off Campus</td>
</tr>
</tbody>
</table>

Should you have any questions regarding the above indirect costs and fringe benefits rates, please contact Carol Brodie (6-7367, cbrodie@pacific.edu) or Leah Vargas (lvargas@pacific.edu, 6-3903).

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