



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

March 28, 2007

Cohen Building-Room 1067
330 Independence Avenue, S.W.
Washington, DC 20201
PHONE: (202)-401-2808
FAX: (202)-619-3379

Mr. Robert Pompey
Associate Controller
Wake Forest University
Office of the Controller
Box 7201 Reynolda Station
Winston-Salem, NC 27109-

Dear Mr. Pompey:

A copy of an indirect cost Rate Agreement is being faxed to you for signature. This Agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indirect costs on grants and contracts with the Federal Government.

Please have the agreement signed by an authorized representative of your organization and fax it to me, retaining a copy for your files. Our fax number is (202) 619-3379. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

An indirect cost proposal, together with the supporting information, are required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ending 06/30/09, is due in our office by 12/31/09.

Sincerely,

Darryl W. Mayes
Director
Division of Cost Allocation

Enclosures

PLEASE SIGN AND FAX A COPY OF THE RATE AGREEMENT

ORIGINAL

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 1560532138A1

DATE: March 28, 2007

INSTITUTION:
Wake Forest University
Office of the Controller
Box 7201 Reynolda Station
Winston-Salem

NC 27109-

FILING REF.: The preceding Agreement was dated March 10, 2005

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*

RATE TYPES: FIXED						FINAL						PROV. (PROVISIONAL)						PRED. (PREDETERMINED)					
TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO	FROM		TO		FROM		TO		FROM		TO		FROM		TO			
	PRED.	07/01/06				06/30/10	56.0	On-Campus	All Programs														
PRED.	07/01/06	06/30/10	26.0	Off-Campus	All Programs																		
PROV.	07/01/10 UNTIL AMENDED		Use same rates and conditions as those cited for fiscal year ending June 30, 2010.																				

***BASE:**

Direct salaries and wages including vacation, holiday, sick pay and other paid absences but excluding all other fringe benefits.

INSTITUTION:
Wake Forest University

AGREEMENT DATE: March 28, 2007

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

Fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits 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 are not made for the costs of these paid absences.

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 include: FICA, Retirement, Disability Insurance, Life Insurance, Tuition Remission, Travel Insurance, Workers' Compensation, Dental, and Unemployment Insurance.

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.

This rate does not apply to the Wake Forest University School of Medicine which has a separate negotiated Rate Agreement.

INSTITUTION;
Wake Forest University

AGREEMENT DATE: March 28, 2007

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 these programs.

BY THE INSTITUTION:
Wake Forest University

ON BEHALF OF THE FEDERAL GOVERNMENT:

(INSTITUTION)

Department of Health and Human Services

(AGENCY)

Robert Pompey, Jr.
(SIGNATURE)

Darryl W. Mayes
(SIGNATURE)

Robert Pompey, Jr.
(NAME)

Darryl Mayes
(NAME)

Associate Controller
(TITLE)

Director
Division of Cost Allocation
(TITLE)

April 4, 2007
(DATE)

MARCH 28, 2007
(DATE) 0231

HHS REPRESENTATIVE: Jay Mervis
Telephone: (202) 401-2808