



The Texas A&M University System

System Office of Budgets and Accounting

A&M System Building, Suite 2003 • 200 Technology Way • College Station, Texas 77845-3424
Phone (979) 458-6100 • Fax (979) 458-6101 • Campus Mail Stop 1170

October 11, 2006

RECEIVED OCT 19 2006

MEMORANDUM


TO: Mr. Jose Garcia
Vice President for Finance and Administration
Texas A&M International University

SUBJECT: TAMIU Facilities and Administrative (F&A) Rate Agreement

Attached is a copy of the Facilities and Administrative Rate Agreement from the Department of Health and Human Services (DHHS). The rates specified in this agreement are to recover facilities and administrative costs for the fiscal years September 01, 2006 through August 31, 2009.

Based on correspondence with DHHS, please be aware that a facilities and administrative cost proposal will be due to DHHS on February 28, 2009 based on actual costs for fiscal year ending August 31, 2008.

If you have any questions please do not hesitate to contact Debrahe Johnston or Susan Petty at 979-458-6100.


B. J. Grain
Associate Vice Chancellor
for Budgets and Accounting

BJC/daj

Enclosure

cc: Mr. James G. Hooton
Mr. Fred Juarez
Ms. Sandra K. Brown
Ms. Janet S. Guillory

O:\Correspondence\sample letter\appr-rate to TAMIU.doc Universities
Prairie View A&M University • Tarleton State University • Texas A&M International University • Texas A&M University • Texas A&M University at Galveston • Texas A&M University-Commerce
Texas A&M University-Corpus Christi • Texas A&M University-Kingsville • Texas A&M University-Texarkana • West Texas A&M University

Agencies
Texas Agricultural Experiment Station • Texas Cooperative Extension • Texas Engineering Experiment Station • Texas Engineering Extension Service • Texas Forest Service
Texas Transportation Institute • Texas Veterinary Medical Diagnostic Laboratory • Texas Wildlife Damage Management Service

The Texas A&M University System Health Science Center

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN #: 1741761398A1

DATE: September 27, 2006

INSTITUTION:

Texas A & M International University
 The Texas A & M University System
 200 Technology Way
 A&M System Building, Suite 2003
 College Station TX 77845-3424

FILING REF.: The preceding
 Agreement was dated
 August 19, 2002

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			
FINAL	09/01/05	08/31/06	50.0	On Campus	All Programs
FINAL	09/01/05	08/31/06	20.0	Off Campus	All Programs
PRED.	09/01/06	08/31/09	50.0	On Campus	All Programs
PRED.	09/01/06	08/31/09	20.0	Off Campus	All Programs
PROV.	09/01/09	UNTIL AMENDED	Use same rates and conditions as those cited for fiscal year ending August 31, 2009.		

*BASE:

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

INSTITUTION:
Texas A & M International University
The Texas A & M University System

AGREEMENT DATE: September 27, 2006

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 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. Actual costs will be apportioned between on-campus and off-campus components. Each portion will bear the appropriate rate.

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.

FRINGE BENEFITS:

FICA

Retirement

Worker's Compensation

Group Life Insurance

Unemployment Insurance

Health Insurance

INSTITUTION:
Texas A & M International University
The Texas A & M University System

AGREEMENT DATE: September 27, 2006

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:

Texas A & M International University
The Texas A & M University System

(INSTITUTION)


(SIGNATURE)

B. J. CRAIN

(NAME)

Associate Vice Chancellor for
Budgets and Accounting

(TITLE)

10/11/06

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)


(SIGNATURE)

Henry Williams

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION-

(TITLE) CENTRAL STATES FIELD OFFICE

September 27, 2006

(DATE) 0910

HHS REPRESENTATIVE: Wanda Rayfield

Telephone: (214) 767-5249