



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

Agreement Date: August 30, 2012

PROVISIONAL RATE AGREEMENT

Institution: Stanford University
Stanford, California 94305

The Facilities and Administrative (F&A) rates contained herein are for use on grants, contracts and/or other agreements issued or awarded to Stanford University by all Federal Agencies of the United States of America, in accordance with the provisions and cost principles mandated by 2 CFR 220. These rates shall be used for forward pricing and billing purposes for Stanford University's Fiscal Year 2013. This rate agreement supersedes all previous rate agreements/determinations for Fiscal Year 2013.

Section I: Rates - Type: PROVISIONAL (PROV)

<u>Type</u>	<u>From</u>	<u>To</u>	<u>Rate</u>	<u>Base</u>	<u>Applicable To</u>	<u>Location</u>
PROV	9/1/12	Until amended	57.0%	(a)	Organized Research	On Campus
PROV	9/1/12	Until amended	30.2%	(a)	Organized Research	Off Campus
PROV	9/1/12	Until amended	59.8%	(a)	Sponsored Instruction	On Campus
PROV	9/1/12	Until amended	32.0%	(a)	Sponsored Instruction	Off Campus
PROV	9/1/12	Until amended	46.0%	(a)	Other Sponsored Activities	On Campus
PROV	9/1/12	Until amended	31.0%	(a)	Other Sponsored Activities	Off Campus
PROV	9/1/12	Until amended	71.6%	(b)	Animal Care	VSC *

*Veterinary Service Center

DISTRIBUTION BASES:

(a) Modified Total Direct Cost (MTDC), consisting of salaries and wages, fringe benefits, materials and supplies, services, travel and subgrants and subcontracts up to the first \$25,000 of each subgrant or subcontract. Equipment, capital expenditures, charges for patient care and tuition remission, rental costs, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of \$25,000 shall be excluded from modified total direct costs.

Equipment is defined as having an acquisition cost which equals or exceeds \$1,500 and a useful life of more than one year for equipment acquired on or before August 31, 2003. Beginning September 1, 2003, equipment is defined as having an acquisition cost which equals or exceeds \$5,000 and a useful life of more than one year.

(b) VSC direct costs.

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 the rates agreed to herein is predicated upon all the following conditions: (1) that no costs other than those incurred by the grantee/contractor were included in the indirect cost pool as finally accepted and that all such costs are legal obligations of the grantee/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 have been accorded consistent accounting treatment; and (4) that the information provided by the contractor/grantee, which was used as the basis for the acceptance of the rates agreed to herein and expressly relied upon by the Government in establishing and accepting 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 established. 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.

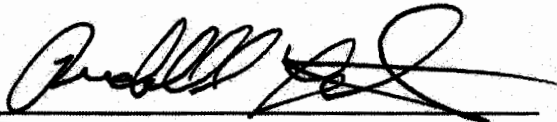
C. PROVISIONAL RATES: The provisional rates contained in this agreement are subject to unilateral amendment by the Government or bilateral amendment by the contracting parties at any time.

D. USE BY OTHER FEDERAL AGENCIES: The rates set forth in Section I hereof were established in accordance with and under the authority set forth in 2 CFR 220. Accordingly, such rates shall be applied to the extent provided in such regulations to grants, contracts and other agreements to which 2 CFR 220 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 which have or intend to issue or award agreements using these rates, or to otherwise provide such agencies with documentary notice of this determination and its terms and conditions.

E. **DFARS WAIVER:** Signature of this agreement by the authorized representative of Stanford University and the Government acknowledges and affirms the University's request to waive the prohibition contained in DFARS 231.303(1) and the Government's exercise of its discretion contained in DFARS 231.303(2) to waive the prohibition in DFARS 231.303(1). The waiver request by Stanford University is made to simplify the University's overall management of DOD cost reimbursements under DOD contracts.

F. **SPECIAL REMARKS:** The Government's agreement with the rates set forth in Section I is not an acceptance of the Stanford University's accounting practices or methodologies. Any reliance by the Government on cost data or methodologies submitted by Stanford University is on a non-precedence-setting basis and does not imply Government acceptance.

FOR STANFORD UNIVERSITY:



RANDALL S. LIVINGSTON
Vice President for Business Affairs
and Chief Financial Officer

August 29 2012

Date

FOR THE U.S. GOVERNMENT:



LINDA B. SHIPP
Contracting Officer

9-4-2012

Date

For information concerning this agreement contact:

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