COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1416007513A5

ORGANIZATION:
University of Minnesota
Office of Sponsored Projects
200 Oak Street S.E.
Suite 450
Minneapolis, MN 55455-2070

DATE: 04/14/2015

FILING REF.: The preceding agreement was dated 05/29/2014

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: INDIRECT COST RATES

<table>
<thead>
<tr>
<th>RATE TYPES:</th>
<th>FIXED</th>
<th>FINAL</th>
<th>PROV. (PROVISIONAL)</th>
<th>PRED. (PREDETERMINED)</th>
</tr>
</thead>
<tbody>
<tr>
<td>EFFECTIVE PERIOD</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>TYPE</th>
<th>FROM</th>
<th>TO</th>
<th>RATE(%) LOCATION</th>
<th>APPLICABLE TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>PRED.</td>
<td>07/01/2011</td>
<td>06/30/2015</td>
<td>52.00 On Campus</td>
<td>Organized Research</td>
</tr>
<tr>
<td>PRED.</td>
<td>07/01/2011</td>
<td>06/30/2015</td>
<td>50.00 On Campus</td>
<td>Instruction (1)</td>
</tr>
<tr>
<td>PRED.</td>
<td>07/01/2011</td>
<td>06/30/2015</td>
<td>33.00 On Campus</td>
<td>Other Sponsored Prog</td>
</tr>
<tr>
<td>PRED.</td>
<td>07/01/2011</td>
<td>06/30/2015</td>
<td>52.50 On Campus</td>
<td>Hormel Institute</td>
</tr>
<tr>
<td>PRED.</td>
<td>07/01/2011</td>
<td>06/30/2015</td>
<td>26.00 Off Campus</td>
<td>All Programs</td>
</tr>
<tr>
<td>PRED.</td>
<td>07/01/2011</td>
<td>06/30/2015</td>
<td>57.00 On Campus</td>
<td>DOD Contract Only</td>
</tr>
<tr>
<td>PROV.</td>
<td>07/01/2015</td>
<td>Until Amended</td>
<td>&quot;Use same rates and conditions as those cited for FYE 6/30/15.&quot;</td>
<td></td>
</tr>
</tbody>
</table>

*BASE*
Modified total direct costs, consisting of all salaries and wages, fringe benefits, materials, supplies, services, travel and subgrants and subcontracts up to the first $25,000 of each subgrant or subcontract (regardless of the period covered by the subgrant or subcontract). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, student tuition remission, rental costs of off-site facilities, scholarships, and fellowships as well as the portion of each subgrant and subcontract in excess of $25,000.

(1) Instruction includes Title IV-E.
**SECTION I: FRINGE BENEFIT RATES**

<table>
<thead>
<tr>
<th>TYPE</th>
<th>FROM</th>
<th>TO</th>
<th>RATE(%)</th>
<th>LOCATION</th>
<th>APPLICABLE TO</th>
</tr>
</thead>
<tbody>
<tr>
<td>FIXED</td>
<td>7/1/2014</td>
<td>6/30/2015</td>
<td>33.80</td>
<td>All</td>
<td>Academic</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2014</td>
<td>6/30/2015</td>
<td>26.30</td>
<td>All</td>
<td>Non-Academic</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2014</td>
<td>6/30/2015</td>
<td>16.60</td>
<td>All</td>
<td>Student Professional w/GA Health</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2014</td>
<td>6/30/2015</td>
<td>7.70</td>
<td>All</td>
<td>Trades</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2014</td>
<td>6/30/2015</td>
<td>21.40</td>
<td>All</td>
<td>Student Professional w/Uplan Health</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2015</td>
<td>6/30/2016</td>
<td>33.70</td>
<td>All</td>
<td>Academic</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2015</td>
<td>6/30/2016</td>
<td>27.40</td>
<td>All</td>
<td>Non-Academic</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2015</td>
<td>6/30/2016</td>
<td>17.60</td>
<td>All</td>
<td>Student Professional w/GA Health</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2015</td>
<td>6/30/2016</td>
<td>7.90</td>
<td>All</td>
<td>Trades</td>
</tr>
<tr>
<td>FIXED</td>
<td>7/1/2015</td>
<td>6/30/2016</td>
<td>22.40</td>
<td>All</td>
<td>Student Professional w/Uplan Health</td>
</tr>
<tr>
<td>PROV.</td>
<td>7/1/2016</td>
<td>6/30/2018</td>
<td></td>
<td></td>
<td>Use same rates and conditions as those cited for fiscal year ending June 30, 2016.</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF FRINGE BENEFITS RATE BASE:**
Salaries and wages.

"The above Fringe Benefit rates do not include hourly tuition remission rates used by the University. Tuition remission may be charged in addition to the approved Fringe Benefit rates."
SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) 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 cost 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.
ORGANIZATION: University of Minnesota Office of Sponsored Projects
AGREEMENT DATE: 4/14/2015

SPECIAL REMARKS:

Application of Indirect Cost Rates to DOD Contracts/Subcontracts:

The rates in this agreement have been negotiated to reflect the administrative cap provisions of the revisions to OMB Circular A-21 published by the Office of Management and Budget on May 9, 1966. The 26 percent limitation imposed on administrative indirect cost by OMB Circular No. A-21 shall not be applied to DOD contracts awarded on or after November 30, 1993, unless the same limitation is applied uniformly to all other organizations performing similar work.

Accordingly, the rates cited in section I (DOD Contracts), do not reflect the application of the 26% limitation on administrative indirect costs imposed by OMB Circular A-21.

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
Disability Insurance
Worker's Compensation
Life Insurance
Unemployment Insurance
Health Insurance
Employee Tuition
Benefit Administration Expense
Terminal Vacation Payout

Your next fringe benefit proposal based on actual costs for the fiscal year ending 06/30/15 is due in our office by 12/31/15.
ORGANIZATION: University of Minnesota Office of Sponsored Projects
AGREEMENT DATE: 4/14/2015

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, and should be applied to grants, contracts and other agreements covered by Circular A-21, 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 program, 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:

University of Minnesota Office of Sponsored Projects

[Signature]

Richard Pfutzenreuter

Vice President

[Date]

APRIL 24th, 2015

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

[Agency]

Arif M. Karim -S

[Signature]

Arif Karim

[Name]

Director, Cost Allocation Services

[Title]

[Date]

4/14/2015

[Date] 5077

NHS REPRESENTATIVE: Shon Turner

TelephoneNumber: (214) 767-3261
April 14, 2015

Mr. Richard Pfutzenreuter  
Vice President, Chief Financial Officer and Treasurer  
University of Minnesota  
334B Morrill Hall - 100  
Minneapolis, MN 55455

Dear Mr. Pfutzenreuter:

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

Please have the Agreement signed by an authorized representative of your organization and fax or email it to me, retaining the copy for your files. Our fax number is (214) 767-3264 and email address is shon.turner@psc.hhs.gov. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

Requirements for adjustments to costs claimed under Federal Grants and Contracts resulting from this negotiation are dependent upon the type of rate contained in the negotiation agreement. Information relating to these requirements is enclosed.

In addition, your FB cost rates for fiscal year ending June 30, 2015 based on actual costs for the fiscal year June 30, 2013 and FB cost rates for fiscal year ending June 30, 2016 based on actual costs for fiscal year ended June 30, 2014 over-recovered (+) or under-recovered (-) amounts are listed below:

<table>
<thead>
<tr>
<th></th>
<th>2013/2015</th>
<th>2014/2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic</td>
<td>$2,474,964</td>
<td>$11,370,839</td>
</tr>
<tr>
<td>Non Academic</td>
<td>$7,689,284</td>
<td>($4,568,888)</td>
</tr>
<tr>
<td>Student Professional with GA Health</td>
<td>$17,084</td>
<td>($89,750)</td>
</tr>
<tr>
<td>Trades</td>
<td>($0)</td>
<td>($0)</td>
</tr>
<tr>
<td>Student Professional with Uplan Health</td>
<td>($0)</td>
<td>($0)</td>
</tr>
</tbody>
</table>

The fixed rate(s) for fiscal year ended 2013 and 2014 are considered final.

A FB cost proposal, together with supporting information and the certified audit financial statement, is required each year. Thus, your next FB cost proposal based on actual costs for the fiscal year ending June 30, 2015 is due in our office by December 31, 2015 and your next Facilities and Administrative (F&A) proposal based on actual costs for the fiscal year ending June 30, 2014 is in our office for review.
Since this is an integral part of the Negotiation Agreement, please note your acceptance by signing in the space provided below.

Sincerely,

Arif M. Karim
Director
Cost Allocation Services

Enclosures

ACCEPTANCE:

University of Minnesota
(Institution)

[Signature]

Vice President
(Title)

Richard Pfutzenreuter
(Name)

April 24th, 2015
(Date)