Dear Ms. Trujilo:

A copy of an indirect cost Negotiation Agreement is attached. 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 a duly authorized representative of your organization and return it to me BY EMAIL OR FAX, retaining the copy for your files. 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 required supporting information must be submitted to this office for each fiscal year in which your organization claims indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on your fiscal year ending 06/30/15 is due in our office by 12/31/15.

Sincerely,

Arif Karim, Director
Division of Cost Allocation

Attachment

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY EMAIL OR FAX
COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN:  
DATE: 06/20/2013
ORGANIZATION:  
FILING REF.: The preceding 
Calif State Univ, San Bernardino  
agreement was dated  
University Enterprises Corporation  
04/03/2008
5500 University Parkway  
San Bernardino, CA 92407-2397

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

<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>
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<tr>
<td>TYPE</td>
<td>FROM</td>
<td>TO</td>
<td>RATE(%) LOCATION</td>
<td>APPLICABLE TO</td>
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<td>PRED.</td>
<td>07/01/2012</td>
<td>06/30/2013</td>
<td>43.00 On-Campus</td>
<td>All Programs</td>
</tr>
<tr>
<td>PRED.</td>
<td>07/01/2013</td>
<td>06/30/2016</td>
<td>44.50 On-Campus</td>
<td>All Programs</td>
</tr>
<tr>
<td>PROV.</td>
<td>07/01/2016</td>
<td>06/30/2017</td>
<td>44.50 On-Campus</td>
<td>All Programs</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.
SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

This organization charges the actual cost of each fringe benefit direct to Federal projects. However, it uses a fringe benefit rate which is applied to salaries and wages in budgeting fringe benefit costs under project proposals. The following fringe benefits listed below are treated as direct costs:

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.

DEFINITION OF EQUIPMENT

Equipment is defined as tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of $5,000 or more per unit.

The following fringe benefits are treated as direct costs: FICA, SUI, HEALTH/LIFE INSURANCE, WORKERS COMPENSATION, AND RETIREMENT.
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 covered in this Agreement 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 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 method 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 allowable to these programs.

BY THE INSTITUTION:

Calif State Univ, San Bernardino University Enterprises Corporation

[Institution]

Jeffrey Thompson

[Signature]

Associate Provost of Academic Research

[TITLE]

8/5/2013

[DATE]

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

[Signature]

Arif Karim

[Signature]

Director, Division of Cost Allocation

[TITLE]

6/20/2013

[DATE]

[REPRESENTATIVE]

Jeanette Lu

[Signature]

[PHONE]

(415) 437-7820

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