



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center  
Financial Management Portfolio  
Cost Allocation Services

26 Federal Plaza, Room 3412  
New York, NY 10278  
PHONE: (212) 264-2069  
FAX: (212) 264-5478  
EMAIL: CAS-NY@psc.hhs.gov

August 16, 2018

Mr. Edward J. Bishof, Sr.  
Senior Vice President for Finance & CFO  
New Jersey Institute of Technology  
University Heights  
Newark, New Jersey 07102-1982

Dear Mr. Bishof:

A negotiation agreement is being sent to you for signature. This agreement reflects an understanding reached between your institution and a member of my staff concerning the rates or amounts that may be used to support your claim for costs on grants and contracts with the Federal Government. The agreement must be signed by a duly authorized representative of your institution and emailed to [CAS-NY@psc.hhs.gov](mailto:CAS-NY@psc.hhs.gov). We will reproduce and distribute the agreement to awarding agencies 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 consideration of this agreement, the following was agreed to:

1. The carry forward under-recovery of \$14,562,918 resulting from the settlement of the actual full-time employee fringe benefit rate for the fiscal year ended June 30, 2017 will be taken into consideration in computing the actual full-time employee fringe benefit rate for the fiscal year ending June 30, 2019.
2. The carry forward over-recovery of \$34,733 resulting from the settlement of the actual part-time non-summer faculty employee fringe benefit rate for the fiscal year ended June 30, 2017 will be taken into consideration in computing the actual part-time non-summer faculty employee fringe benefit rate for the fiscal year ending June 30, 2019.

Your fringe benefit rate proposal for your fiscal year ended June 30, 2018 is due in our office by December 31, 2018.

An indirect cost rate proposal, together with the required supporting information, must be submitted to this office for each fiscal year in which your organization claims cost under grants and contracts awarded by the Federal Government. Therefore, your next indirect cost proposal for the fiscal year ending June 30, 2020 will be due in our office by December 31, 2020. In addition, please acknowledge your concurrence with the comments and conditions cited above by signing this letter in the space provided below and transmitting electronically via email to CAS-NY@psc.hhs.gov.

Sincerely,

Darryl W. Mayes -S

Digitally signed by Darryl W. Mayes -S  
DN: c=US, o=U.S. Government, ou=HHS, ou=PSC,  
ou=People, o.9.2342.19200300.100.1.1=2000131669,  
cn=Darryl W. Mayes -S  
Date: 2018.08.20 13:54:13 -0400

Darryl W. Mayes  
Deputy Director  
Cost Allocation Services

Enclosures

Concurrence:

Name

Title

Date

*Edward J. Benke*  

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*SR UP FINANCE & CFD*  

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*9/17/18*  

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**COLLEGES AND UNIVERSITIES RATE AGREEMENT**

EIN: 1226000910A1

DATE:08/16/2018

ORGANIZATION:

FILING REF.: The preceding agreement was dated 06/23/2017

New Jersey Institute of Technology  
University Heights  
Newark, NJ 07102-1982

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**

RATE TYPES:      FIXED                  FINAL                  PROV. (PROVISIONAL)      PRED. (PREDETERMINED)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
PRED.	07/01/2016	06/30/2021	53.50	On-Campus NJIT	Research
PRED.	07/01/2016	06/30/2021	26.00	Off-Campus NJIT	Research
PRED.	07/01/2016	06/30/2021	53.70	On-Campus NJIT	Instruction & Training
PRED.	07/01/2016	06/30/2021	26.00	Off-Campus NJIT	Instruction & Training
PROV.	07/01/2021	06/30/2023	53.50	On-Campus NJIT	Research
PROV.	07/01/2021	06/30/2023	26.00	Off-Campus NJIT	Research
PROV.	07/01/2021	06/30/2023	53.70	On-Campus NJIT	Instruction & Training
PROV.	07/01/2021	06/30/2023	26.00	Off-Campus NJIT	Instruction & Training

\*BASE

ORGANIZATION: New Jersey Institute of Technology

AGREEMENT DATE: 8/16/2018

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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, participant support costs, as well as the portion of each subgrant and subcontract in excess of \$25,000.

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(1) The Foundation at New Jersey Institute of Technology and the New Jersey Institute of Technology - Combined Rate.

ORGANIZATION: New Jersey Institute of Technology

AGREEMENT DATE: 8/16/2018

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**SECTION I: FRINGE BENEFIT RATES\*\***

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<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FIXED	7/1/2018	6/30/2019	51.60	All NJIT	Full-Time Employees
FIXED	7/1/2018	6/30/2019	8.10	All NJIT	Part-Time Non- Summer Faculty
FIXED	7/1/2018	6/30/2019	7.80	All NJIT	Doctoral Students
PROV.	7/1/2019	6/30/2021	41.70	All NJIT	Full-Time Employees
PROV.	7/1/2019	6/30/2021	8.40	All NJIT	Part-Time Non- Summer Faculty
PROV.	7/1/2019	6/30/2021	7.80	All NJIT	Doctoral Students

\*\* DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

ORGANIZATION: New Jersey Institute of Technology

AGREEMENT DATE: 8/16/2018

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**SECTION II: SPECIAL REMARKS**

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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.

(1) The combined indirect cost rates are joint rates and are based on the combined costs of the Foundation at New Jersey Institute of Technology and New Jersey Institute of Technology and should be used when awards are made jointly to these organizations.

(2) The following fringe benefits are included in the fringe benefit rate: Social Security Taxes (FICA), Pension, Health Benefits, State Unemployment Insurance, Tuition Remission, Vision Care and Worker's Compensation.

(3) Effective July 1, 2013 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.

(4) Your next indirect costs proposal based on actual costs for the fiscal year ending 6/30/2020 is due in our office by 12/31/2020.

(5) This rate agreement updates fringe benefits rates only.

ORGANIZATION: New Jersey Institute of Technology

AGREEMENT DATE: 8/16/2018

**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 Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200), and should be applied to grants, contracts and other agreements covered by 2 CFR 200, 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:

New Jersey Institute of Technology

(INSTITUTION)

*Edward J. Bishop Sr*

(SIGNATURE)

*Edward J. Bishop Sr*

(NAME)

*SR UP FINANCE & CFO*

(TITLE)

*9/17/18*

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

*Darryl W. Mayes*

Digitally signed by Darryl W. Mayes -S  
DN: c=US, o=U.S. Government, ou=HHS, ou=PSC,  
ou=People,  
0.9.2342.19200300.100.1.1=2000131669,  
cn=Darryl W. Mayes -S  
Date: 2018.08.20 13:53:13 -0400

*-S*

(SIGNATURE)

*Darryl W. Mayes*

(NAME)

*Deputy Director, Cost Allocation Services*

(TITLE)

*8/16/2018*

(DATE) 4921

HHS REPRESENTATIVE:

*Council Moore*

Telephone:

*(212) 264-2069*

**NIJT Fringe Methodology**  
**FY2017 Actual Applied to FY2019 Calculated Rate**  
**Prepared on 8/9/2018**

**FULL-TIME:**  
 Per NIT FB proposal (gross) 46.50%  
 Less: Per NJSWCAP rate agreement (OMB 17-09) 44.30%  
 NIT additional FB (net) 2.20%

**Actual '17**  
 Fixed '17 48.70%  
 44.30%  
 4.40%

**PART-TIME:** 9.53% 11.20%

		DHHHS Methodology											
	FY 2017	Cost Pool	*Carry Forward (from 15)	Should Have Recovered	Recovered	Under/(Over) Recovery	FY19 S&W Forecast	FY19 S&W W/Forecast **	FY19 Fringe Rate	FY19 Fringe W/Forecast **	FY19 Forecast Fringe	FY19 Adjusted Rate	FY19 Rounded Rate
<u>Full Time</u>	<u>S&amp;W</u>	132,881,864	10,842,227	20,406,166	5,846,802	14,559,364	15,173,544	148,055,408	76.346,205	-	76,346,205	51.57%	51.60%
<u>Part Time - Summer Faculty</u>	<u>EB</u>	61,786,841	-	-	-	-	-	4,977,696	-	-	-	0.00%	0.00%
<u>Part Time - Non Summer</u>		874,535	119,071	993,606	1,028,285	(34,678)	1,182,345	10,363,458	839,857	-	839,857	8.10%	8.10%
<u>Undergrad and Graduate Students</u>		5,510,795	-	-	-	-	200,000	5,710,795	52,144	-	-	0.00%	0.00%
<u>Doctoral Students - UCAN</u>		7,659,692	26,072	26,072	-	26,072	1,100,234	8,759,926	631,130	631,130	683,274	7.80%	7.80%
<u>Total</u>		160,211,160	62,687,448	39.13%	17,656,123	177,867,283	77,238,206	631,130	77,869,336	43.78%	43.80%		

\* Amount of deferred and waived carry-forward from FY17 recognized  
 \*\* Additional forecast for FY19 due to an increase in NJ-OMB in pension, health benefits, and state unemployment insurance; NJIT's workers compensation also increased  
 \*\* Increase also includes TA/RA negotiated health benefits as part of UCAN contract (\$1,837 x 360-headcount)



## SUMMARY OF NEGOTIATIONS

INSTITUTION NUMBER 0139  
 INSTITUTION NAME New Jersey Institute of Technology (NJIT)  
 FYE 6/30/17

COST CENTER Fringe Benefits - F/T Employee

		<u>BASE</u>	<u>FB</u>	<u>RATE</u>	<u>FILE REF</u>
PROPOSED BY INSTITUTE		<u>\$132,881,864</u>	<u>\$61,786,841</u>	<u>46.50%</u>	
ADJUSTMENTS (SPECIFY)					
<u>CODE</u>					
	<u>No Adjustments</u>				
PER DCA (FINAL)		<u>\$132,881,864</u>	<u>\$61,786,841</u>	<u>46.50%</u>	
OTHER THAN ACTUAL					
	CARRY FORWARD		<u>14,559,364</u>		
	FORECAST - FY 19	<u>15,173,544</u>			
PER DCA (FIXED)					
	FYE 6/30/19	<u>\$148,055,408</u>	<u>\$76,346,205</u>	<u>51.57%</u>	

## SUMMARY OF NEGOTIATIONS

INSTITUTION NUMBER 0139  
 INSTITUTION NAME New Jersey Institute of Technology (NJIT)  
 FYE 6/30/17

COST CENTER Fringe Benefits - P/T Non-Summer Faculty

	<u>S&amp;W</u>	<u>FB</u>	<u>RATE</u>	<u>FILE REF</u>
PROPOSED BY INSTITUTE	<u>\$9,181,113</u>	<u>\$874,535</u>	<u>9.53%</u>	
ADJUSTMENTS (SPECIFY)				
<u>CODE</u>				
<u>      No Adjustments</u>				
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PER DCA (FINAL)	<u><u>\$9,181,113</u></u>	<u><u>\$874,535</u></u>	<u><u>9.53%</u></u>	
OTHER THAN ACTUAL				
CARRY FORWARD		(34,678)		
FORECAST - FY 19	<u>1,182,345</u>	<u>0</u>		
PER DCA (FIXED)				
FYE 6/30/19	<u><u>\$10,363,458</u></u>	<u><u>\$839,857</u></u>	<u><u>8.10%</u></u>	

**SUMMARY OF NEGOTIATIONS**

INSTITUTION NUMBER 0139  
 INSTITUTION NAME New Jersey Institute of Technology (NJIT)  
 FYE 6/30/17

COST CENTER Fringe Benefits - Doctoral Student

	<u>S&amp;W</u>	<u>FB</u>	<u>RATE</u>	<u>FILE REF</u>
PROPOSED BY INSTITUTE	<u>\$7,659,692</u>	<u>\$26,072</u>	<u>0.34%</u>	

ADJUSTMENTS (SPECIFY)

CODE

	<u>No Adjustments</u>			

PER DCA (FINAL)	<u><u>\$7,659,692</u></u>	<u><u>\$26,072</u></u>	<u><u>0.34%</u></u>	
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OTHER THAN ACTUAL

CARRY FORWARD		<u>26,072</u>		
FORECAST - FY 19	<u>1,100,234</u>	<u>631,130</u>		
PER DCA (FIXED) FYE 6/30/19	<u><u>\$8,759,926</u></u>	<u><u>\$683,274</u></u>	<u><u>7.80%</u></u>	