

INTER-OFFICE CORRESPONDENCE
Los Angeles Community College District

TO: College Presidents
Vice Presidents of Administration
Vice Presidents of Student Services
Vice Presidents of Academic Affairs

October 5, 2005

FROM: 
Jeanette L. Gordon
Controller

SUBJECT: INDIRECT COST RATE AGREEMENT

Please find attached a copy of the negotiated Indirect Cost Rate for the period for July 1, 2004 thru June 30, 2006.

If you have any questions, please call Anil Jain at (213) 891-2150.

JLG:AKJ:ao

c: Darroch Young
Sr. Vice Chancellor
Associate Vice Presidents, Administration
College Financial Administrators
SFF' Program Directors
John Clerx
Diane McBride
Vinh Nguyen
Anil Jain v



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

DCA Western Field Office
50 United Nations Plaza, Room 347
San Francisco, CA 94102

Jeanette L. Gordon
Controller
Los Angeles Community College District
770 Wilshire Blvd.
Los Angeles, CA 90017-3896

SEP 21 2005

Dear Ms. Gordon:

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 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.

In order to implement the FINAL indirect cost rate contained in the enclosed Agreement, an adjustment to the indirect costs claimed under your Federal awards may be required. For HHS project grants these adjustments must be made in accordance with the procedures for settlement of indirect costs on HHS project grants with final negotiated rates described in the appropriate "Guide" book for your institution. Adjustments under HHS contracts must be made in accordance with the provisions of the contracts. Adjustments under awards with other Federal agencies must be made in accordance with the policies of those agencies.

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, a proposal for your FY ending 06/30/05, will be due no later than 12/31/05.

Sincerely,

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David S. Low
Director

Attachment

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY FAX

COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN

DATE: September 12, 2005

INSTITUTION:
Los Angeles Community College District
770 Wilshire Blvd.

FILING REF.: The preceding Agreement was dated NONE

Los Angeles CA 90017-3896

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)

<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE (%)</u>	<u>LOCATIONS</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			
PROV.	07/01/04	06/30/06	40.0	On-Campus (1)	All Programs
PROV.	07/01/06	06/30/07	40.0	On-Campus (2)	All Programs

(1) Does not include Los Angeles Valley College which has a separate agreement.

(2) Includes the Los Angeles Valley College.

*BASE:

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

INSTITUTION:
Los Angeles Community College District

AGREEMENT DATE: September 12, 2005

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 inly 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 purp^orted 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 char^ging 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.

BY THE INSTITUTION:
Los Angeles Community College District

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

(INSTITUTION) ;

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A

(SIGNATURE)

(SIGNATURE)

Jeanette Gordon

David S. Low

(NAME)

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION

(TITLE)

(TITLE)

October 4, 2005

September 12, 2005

(DATE)

(DATE) 3205

HHS REPRESENTATIVE: Kitty Unti

Telephone: (415) 437-7820

INSTITUTION:
Los Angeles Community College District

AGREEMENT DATE: September 12, 2005

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

This organization identified the cost of each fringe benefit separately as a direct cost when budgeting and charging fringe benefits under Federal projects. The 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 for the costs of these paid absences are not made.

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:
STRS, PARS, PERS, MEDICARE, MEDICAL/DENTAL/VISION INSURANCE.