COLLEGES AND UNIVERSITIES RATE AGREEMENT

EIN: 1626001636A3
ORGANIZATION:
University of Tennessee Chattanooga
709A Andy Holt Tower
Knoxville, TN 37996-0174

Date: 12/10/2024
FILING REF.: The preceding agreement was dated 02/12/2024

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				
TYPE	FROM	TO	RATE(%)	LOCATION	APPLICABLE TO
PRED.	07/01/2020	06/30/2024	37.50	On-Campus	All Programs
PRED.	07/01/2020	06/30/2024	15.50	Off-Campus	All Programs
PRED.	07/01/2024	06/30/2028	37.50	On-Campus	All Programs
PRED.	07/01/2024	06/30/2028	15.50	Off-Campus	All Programs
PROV.	07/01/2028	Until Amended			Use same rates and conditions as those cited for fiscal year ending Jun 30, 2028

*BASE

Modified total direct costs, consisting of all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel and up to the first $25,000 of each subaward (regardless of the period of performance of the subawards under the award). Modified total direct costs shall exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of each subaward in excess of $25,000. Other items may only be excluded when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

SECTION I: FRINGE BENEFIT RATES**

TYPE	FROM	TO	RATE(%)	LOCATION	APPLICABLE TO
FIXED	7/1/2024	6/30/2025	35.20	All	Regular Employees
FIXED	7/1/2024	6/30/2025	20.30	All	Medical Residents
FIXED	7/1/2024	6/30/2025	11.50	All	Graduate Student Employees
FIXED	7/1/2024	6/30/2025	7.90	All	Temp Employees
FIXED	7/1/2024	6/30/2025	1.50	All	Student Employees
PROV.	7/1/2024	Until Amended			Use same rates and conditions as those cited for fiscal year ending June 30, 2025.

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:
For all awards issued up to and including 06/30/2024, the fringe benefits are specifically identified to each employee and are charged individually as direct costs. The directly claimed fringe benefits are Retirement, FICA, Health Insurance, Life Insurance, Unemployment Insurance and Worker's Compensation.

Effective 07/01/2024, 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 Health Insurance, OPEB, Retirement, FICA, Life Insurance, Terminal Leave, Employee Tuition Remission and Death Benefit - Sick Leave.

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: The off-campus rate will apply for all activities: a) Performed in facilities not owned by the institution and where these facility costs are not included in the F&A pools; or b) Where rent is directly allocated/charged to the project(s). 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.

The next fringe benefit rate proposal based on the fiscal year ended 06/30/2024 is due in our office by 12/31/2024.

Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or $5,000.

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 indirect cost pool 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 indirect 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 indirect 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 indirect 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 indirect costs allocable to these programs.

BY THE INSTITUTION:

University of Tennessee Chattanooga
(INSTITUTION)

David L. Miller
(SIGNATURE)

David L. Miller
(NAME)

Senior Vice President,
and Chief Financial Officer
(TITLE)

12/19/2024
(DATE)

ON BEHALF OF THE GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES
(AGENCY)

Darryl W. Mayes -S Digitally signed by Darryl W. Mayes -S
Date: 2024.12.14 17:20:47 -05'00'
(SIGNATURE)

Darryl W. Mayes
(NAME)

Deputy Director, Cost Allocation Services
(TITLE)

12/10/2024
(DATE)

HHS REPRESENTATIVE: Steven Zuraf
TELEPHONE: (301) 492-4855

June 26, 2026

Ms. Lola Oluborode
Acting Director of Cost Allocation Services
Department of Health and Human Services
Cost Allocation Services – Central States Field Office
1301 Young Street, Room 732
Dallas, TN 75202

Dear Ms. Oluborode,

Enclosed with this cover letter is the FY2027 Fringe Benefits Rates Proposal for the five campuses and institutes in the University of Tennessee System. These proposed fringe benefit rates will be used in the fiscal year beginning July 1, 2026. The proposed fringe benefit fixed rates are:

FY	Benefit Pool	Rate	Reference
2027	Regular Employees	34.7%	Schedule 1
2027	Medical Residents	20.4%	Schedule 1
2027	Graduate Student Employees	7.4%	Schedule 1
2027	Temp Employees	5.0%	Schedule 1
2027	Student Employees	.9%	Schedule 1

The University of Tennessee System plans to use the proposed FY2027 fixed rates. We understand that any concurred adjustment from CAS's review process of the FY2027 fringe rates proposal will be incorporated into future fixed rates and applicable carryforward amounts.

Questions or requests for additional information regarding the proposal should be directed to Michael Meunier, Maximus Senior Consultant, at michaelmeunier@maximus.com. I look forward to working with you to establish FY2027 fringe benefit rates for the University of Tennessee System.

Sincerely,

DocuSigned by:
David Miller
6BFFC85430B140D...

David L. Miller
Senior Vice President and Chief Financial Officer
University of Tennessee System
Phone: 865-974-9080
Email: davidmiller@tennessee.edu

ENCLOSURES:
Audited Financial Statements for the fiscal year ended June 30, 2025

The University of Tennessee System

Fringe Benefit Rates Proposal

FYE June 30, 2027

Prepared by: Maximus Higher Education, Inc.

University of Tennessee System

Fringe Benefit Rates Narrative Description

University of Tennessee System fringe benefit rates by employee category were developed in compliance with OMB Circular 2 CFR Part 200.431. Effective July 1, 2026, fringe benefit rates will be charged using the fringe benefit rates listed on the attached fringe benefit rates schedule.

Fringe benefits include benefits paid by the institution to, or on behalf of, its employees. Examples include medical, dental, disability, life insurance, retirement contributions and social security taxes.

The projected fringe benefits costs and the payroll bases associated with each proposed benefit rate is based on the University of Tennessee System FY2025 actuals. For the regular benefit rate, projected increases in health costs and its payroll base are included.

An internal fringe rate for Coaches will be implemented in FY27. As a result, the proposed FY27 regular employees fringe rate does not include the coaches projected FY27 fringe and payroll.

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. Terminal vacation leave costs are a fringe benefit cost component included in the regular fringe benefit rate.

Schedule 1

University of Tennessee System Proposed FY27 Fringe Benefit Rates Year Calculation FYE 06/30/2025	Fringe Benefit Rates										
Fringe Benefits Account Description	**Regular Employees**	**%**	**Medical Residents**	**%**	**Graduate Student Employees**	**%**	**Temp Employees**	**%**	**Student Employees**	**%**	**Total**
Health Insurance	$ 169,500,456	12.9%	$ 12,008,071	12.9%	$ 7,596,454	9.2%	$ -	0.0%		0.0%	$ 189,104,981
OPEB	$ 6,324,078	0.5%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ 6,324,078
Retirement Contribution	$ 158,398,335	12.0%	$ -	0.0%	$ 5,268	0.0%	$ -	0.0%	$ -	0.0%	$ 158,403,602
Social Security	$ 92,771,781	7.0%	$ 6,881,347	7.4%	$ 149,738	0.2%	$ 2,685,116	6.4%	$ 363,460	1.2%	$ 102,851,442
Unemployment Insurance	$ 36,600	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ 36,600
Workers Compensation	$ 3,157,596	0.2%	$ 103,452	0.1%	$ 642	0.0%	$ 6,163	0.0%	$ 180	0.0%	$ 3,268,033
Terminal Leave	$ 8,451,981	0.6%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ 8,451,981
Life Insurance	$ 2,183,610	0.2%	$ 208	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ 2,183,818
Employee Tuition Remission	$ 5,592,918	0.4%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ 5,592,918
Death Benefit - Sick Leave	$ 270,911	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ -	0.0%	$ 270,911
FY25 Fringe Benefits	**$ 446,688,266**	**33.9%**	**$ 18,993,078**	**20.4%**	**$ 7,752,100**	**9.4%**	**$ 2,691,279**	**6.4%**	**$ 363,640**	**1.2%**	**$ 476,488,363**
FY25 Salaries and Wages	**$1,316,893,131**		**$93,293,826**		**$82,542,066**		**$41,877,905**		**$30,589,908**		**$ 1,565,196,836**
FY25 Actual Calculated Fringe Benefit Rates	**33.9%**		**20.4%**		**9.4%**		**6.4%**		**1.2%**		
Proposed FY27 Fringe Benefit Rates											
Projections											
FY25 Over-recovery/Under-recovery Adjustment	**$ (16,858,116)**	-1.2%	$ 54,432	0.1%	$ (1,740,237)	-2.0%	$ (617,075)	-1.4%	$ (95,209)	-0.3%	
FY26 rate % increase (CY26 Health Insurance rate 5.5% increase and 3% base increase)	**$ 9,323,000**	0.7%									
FY27 rate % increase (CY27 Health Insurance rate 5.8% increase and 2.6% base increase)	**$ 10,372,000**	0.7%									
Coaches Internal Rate (Fringe & Payroll Removal)	**$ (7,169,000)**	0.5%									
FY27 Proposed Calculated Fringe Benefit $ & Rate	**$442,356,000**	**34.7%**	**$19,048,000**	**20.4%**	**$6,012,000**	**7.4%**	**$2,074,000**	**5.0%**	**$268,000**	**0.9%**	
Federal FY25 salaries/wages % of Total Salaries/Wages	$ 92,489,835	7.0%	$ 128,882	0.1%	$ 23,943,038	29.0%	$ 5,495,252	13.1%	$ 4,583,143	15.0%	

Schedule 2 - University of Tennessee System Carryforward Calculation - FY2025

Calculation of Carryforward:		Regular Employees	Medical Residents	Graduate Student Employees	Temp Employees	Student Employees
1. Fringe Benefit Cost Recovery for FYE:	Actual Base	$ 1,316,893,131	$ 93,293,826	$ 82,542,066	$ 41,877,905	$ 30,589,908
	Fixed Rate	35.20%	20.30%	11.50%	7.90%	1.50%
	Fixed Rate x Actual Base	463,546,382	18,938,647	9,492,338	3,308,354	458,849
2. Less: Prior Year Carry Forward - (Under-Recovery) FYE: OR Add: Prior Year Carry Forward - Overrecovery FYE:		0	0	0	0	0
3. Net Fringe Benefit Cost Recovery for FYE:		463,546,382	18,938,647	9,492,338	3,308,354	458,849
4. Less: Actual Fringe Benefit Cost Pool FYE:		446,688,266	18,993,078	7,752,100	2,691,279	363,640
5. (Under) Overrecovery to be carried Forward		16,858,116	(54,432)	1,740,237	617,075	95,209
CALCULATION OF FIXED RATE FOR FYE		ACTUAL	ACTUAL	ACTUAL	ACTUAL	ACTUAL
A. Actual FY Fringe Benefit Cost Pool (from 4. above)		446,688,266	18,993,078	7,752,100	2,691,279	363,640
B. Add: (Underrecovery) from 5. above OR Deduct: Overrecovery from 5. above		(16,858,116)	54,432	(1,740,237)	(617,075)	(95,209)
C. Adjusted Fringe Benefit Cost Pool (A. Plus/Minus B.)		429,830,149	19,047,510	6,011,863	2,074,204	268,431
D. Actual Base from 1. above		1,316,893,131	93,293,826	82,542,066	41,877,905	30,589,908
E. Fixed Rate for FYE- 2025 (C / D)		32.6%	20.4%	7.3%	5.0%	0.9%
CURRENT RATE		35.2%	20.3%	11.5%	7.9%	1.5%
PROPOSED RATE		34.7%	20.4%	7.4%	5.0%	0.9%