NATIONAL SCIENCE FOUNDATION
2415 Eisenhower Avenue
Alexandria, VA 22314

Division of Institution and Award Support
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March 29, 2018

Basilio Martinez
Chief Financial Officer
Monterey Bay Aquarium Research Institute
7700 Sandholdt Road
Moss Landing, CA 95039

Dear Mr. Martinez:

We have completed our review of the indirect cost proposal and supporting financial data submitted to the National Science Foundation (NSF) for your fiscal year ended December 31, 2016.

The enclosed rate agreement indicates the rates approved by this office. Please indicate your concurrence with these rates by signing, dating and returning a copy of the agreement to my attention at the above address. The rates included in the agreement may not be used until the agreement has been ratified through signatures from both your organization and NSF.

Should you wish to appeal any of the indirect cost pool adjustments NSF made as part of this rate negotiation, you may follow the dispute resolution procedures contained in Chapter XII of the NSF Propose & Award Policies and Procedures Guide (PAPPG). These may be found online at: https://www.nsf.gov/pubs/policydocs/pappg17_1/pappg_12.jsp.

With the completion of this rate agreement, it has come to our attention that the predominance of direct federal funding to the Institute has shifted from the National Science Foundation (NSF) to the National Oceanic and Atmospheric Association (NOAA). Accordingly, NSF has determined that indirect rate cognizance will transitioned to NOAA, in accordance with 2 CFR 200, Appendix IV, Section C.2.a.

A provisional rate has been established through your FY 2018. With the shift in cognizance, NOAA will be responsible for finalizing this rate. Future rate proposals do not need to be submitted to NSF. Please contact NOAA's Grants Management Division for instructions regarding how to submit the Institute's FY 2018 final indirect cost rate proposal

Sincerely,

MAB
Meghan A. Benson

Meghan A. Benson
Lead Analyst, Indirect Cost Rates
Cost-Analysis and Pre-Award Branch (CAP)
Division of Institution and Award Support

Enclosure: Rate Agreement

NON-PROFIT ORGANIZATION
NEGOTIATED INDIRECT COST RATE AGREEMENT (NICRA)

EIN #: 77-0150580

ORGANIZATION:
Monterey Bay Aquarium Research Institute
7700 Sandholdt Road
Moss Landing, CA 95039

NSF INS CODE: 4000069000

DATE: March 29, 2018

FILING REF: The preceding agreement was dated April 16, 2012.

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 II.

SECTION I: RATES

Indirect Costs

Type	Period	Rate	Base
FINAL	01/01/16 – 12/31/16	53.73%	(a)
PREDETERMINED	01/01/17 – 12/31/17	53.73%	(a)
PROVISIONAL	01/01/18 – 12/31/18	54.00%	(a)

(a) The **direct cost base** for this rate consists of: total direct costs, excluding capital expenditures, participant support, and the portion of each subaward in excess of $25,000 (regardless of the period covered by the subaward).

Note: Ship time for use of the research vessels is not calculated through the use of an indirect rate but is instead calculated through a day rate.

Fringe Benefits

Type	Period	Rate	Base
FINAL	01/01/16 – 12/31/16	58.09%	Full-time employees
FINAL	01/01/16 – 12/31/16	45.78%	Term PhD
FINAL	01/01/16 – 12/31/16	26.24%	Part-time employees
FINAL	01/01/16 – 12/31/16	10.82%	Temporary employees
PREDETERMINED	01/01/17 – 12/31/17	58.09%	Full-time employees
PREDETERMINED	01/01/17 – 12/31/17	45.78%	Term PhD
PREDETERMINED	01/01/17 – 12/31/17	26.24%	Part-time employees
PREDETERMINED	01/01/17 – 12/31/17	10.82%	Temporary employees
PROVISIONAL	01/01/18 – 12/31/18	58.50%	Full-time employees
PROVISIONAL	01/01/18 – 12/31/18	46.00%	Term PhD
PROVISIONAL	01/01/18 – 12/31/18	26.50%	Part-time employees
PROVISIONAL	01/01/18 – 12/31/18	11.00%	Temporary employees

Fringe Benefits associated with direct salaries and wages are treated as direct costs and included in the indirect cost rate application base. Fringe benefits consist of:

Sick leave, vacation, holiday, shore leave and other paid time off
Payroll Taxes
Retirement Plan Contributions
Group Medical, Dental and Vision Insurance
Health Savings Account
Life and Accidental Death/Dismemberment Insurance
Long-term and Short-term Disability Insurance
Workers Compensation
Post-Retirement Medical Benefits

SECTION II: GENERAL TERMS

A. LIMITATIONS: Use of the rates contained in this agreement is subject to any applicable contractual or grant limitations. Acceptance of these rates agreed to herein is predicated upon the conditions: (1) that no costs other than those incurred by the contractor or grantee were included in its indirect cost proposal and that such costs are legal obligations of the contractor or grantee, (2) that the same costs that have been treated as indirect costs have not been claimed as direct costs, and (3) that similar types of costs have been accorded consistent treatment.

B. AUDIT: All costs, direct and indirect, Federal and non-Federal are subject to audit. Adjustments to amounts resulting from audit of cost allocation plan or indirect rate proposal upon which the negotiation of this agreement was based will be compensated for in subsequent negotiation.

C. ACCOUNTING CHANGES: The rates contained in this agreement are based on the accounting system in effect at the time the proposal was prepared and the rates were negotiated. Changes to the method of accounting which effect the amount of reimbursement resulting from the use of these rates require the prior approval of this office. Failure to obtain such approval may result in subsequent cost disallowances.

D. RATE TYPES:

1. Provisional/Final Rate: Within six (6) months after fiscal year end, a final indirect cost rate proposal must be submitted based on actual costs. Billings and charges to federal grants and contracts must be adjusted if the final rate varies from the provisional rate. If the final rate is greater than the provisional rate and there are no funds to cover the additional indirect costs, the organization may not recover all indirect costs. Conversely, if the final rate is less than the provisional rate, the organization will be required to pay back the difference to the funding agency.

2. Predetermined Rate: Predetermined rates are applicable to a current or future period, and are based upon an estimate of the costs to be incurred during the period. A predetermined rate is not subject to adjustment.

E. NOTIFICATION TO FEDERAL AGENCIES: Copies of this document may be provided to other Federal offices as a means of notifying them of the rates agreed to herein.

SECTION III: ACCEPTANCE

BY THE ORGANIZATION:

Monterey Bay Aquarium Research Institute
(Organization)

(Signature)

Basilio Martinez
(Name)

CFO
(Title)

4-9-18
(Date)

ON BEHALF OF THE FEDERAL GOVERNMENT:

National Science Foundation
(Agency)

Meghan A. Benson
(Signature)

Meghan A. Benson
(Name)

Lead Analyst, Indirect Cost Rates
Cost-Analysis and Pre-Award Branch
(Title)

3/29/18
(Date)

NSF Negotiator: Meghan A. Benson
Telephone: (703) 292-4884