

HOSPITALS RATE AGREEMENT

EIN: 951690977

DATE: 06/24/2021

ORGANIZATION:

Children's Hospital of Los Angeles
4650 Sunset Boulevard
Los Angeles, CA 90027

FILING REF.: The preceding
agreement was dated
12/16/2020

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>
FINAL	07/01/2019	06/30/2020	69.50	On-Site	Research
FINAL	07/01/2019	06/30/2020	35.00	Off-Site	Research
FINAL	07/01/2019	06/30/2020	40.00	All	Other Sponsored Activities
PROV.	07/01/2020	06/30/2023	69.50	On-Site	Research
PROV.	07/01/2020	06/30/2023	35.00	Off-Site	Research
PROV.	07/01/2020	06/30/2023	40.00	All	Other Sponsored Activities

*BASE

Total direct cost less items of equipment and other capital expenditures, hospitalization and other fees related to patient care, fellowships, and that portion over \$25,000 of each subgrant or subcontract.

The Hospital's direct cost base includes salaries and benefits of University of Southern California (USC) personnel who are paid by USC and for which USC is reimbursed by the hospital. No fringe benefits of the Hospital are applicable to USC; however, the indirect cost rate cited herein is applicable to the total amount reimbursed.

ORGANIZATION: Children's Hospital of Los Angeles

AGREEMENT DATE: 6/24/2021

SECTION I: FRINGE BENEFIT RATES**

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FIXED	7/1/2021	6/30/2022	22.80	All	All Employees
PROV.	7/1/2022	6/30/2024	22.80	All	All Employees

**** DESCRIPTION OF FRINGE BENEFITS RATE BASE:**

Salaries and wages of faculty and staff including vacation, holiday and sick leave pay and other paid absences of only the faculty and staff. Rate does not apply to student employees, research or teaching assistants.

ORGANIZATION: Children's Hospital of Los Angeles

AGREEMENT DATE: 6/24/2021

SECTION II: SPECIAL REMARKS

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.

OFF-SITE DEFINITION

For all activities performed in facilities not owned by the organization and to which rent is directly allocated to project(s), the off-site rate will apply. If more than 50% of the project salaries and wages is performed off-site, the off-site rate will apply to the entire project.

DEFINITION OF EQUIPMENT

Equipment is defined as tangible nonexpendable personal property (including information technology systems) having a useful life of more than one year and an acquisition cost of \$1,000 or more per unit.

The following fringe benefits are included in the fringe benefit rate: FICA, UNEMPLOYMENT INSURANCE (SELF INSURED), WORKERS COMPENSATION, GROUP LIFE AND HEALTH INSURANCE, PENSION PLAN, GROUP DISABILITY, AND DENTAL INSURANCE.

This rate agreement updates the fringe benefits rate only.

NEXT PROPOSAL DUE DATE

An indirect cost and a fringe benefit rate proposals based on actual costs for FYE 06/30/21 will be due by 12/31/21.

ORGANIZATION: Children's Hospital of Los Angeles

AGREEMENT DATE: 6/24/2021

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 cost principles promulgated by the Department of Health and Human Services, and should be applied to the grants, contracts and other agreements covered by these regulations subject to any limitations in A above. The hospital 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:

Children's Hospital of Los Angeles

(INSTITUTION)



Digitally signed by Ogden Rivera,
Jodi
Date: 2021.07.02 09:10:14 -07'00'

(SIGNATURE)

Jodi Ogden Rivera

(NAME)

Vice President, Research Operations

(TITLE)

07/01/2021

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Arif M. Karim - S Digitally signed by Arif M. Karim -
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Date: 2021.07.01 11:31:31 -05'00'

(SIGNATURE)

Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

6/24/2021

(DATE) 2126

HHS REPRESENTATIVE:

Jeanette Lu

Telephone:

(415) 437-7820



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

90 7th Street, Suite 4-600
San Francisco, CA 94103-6705
PHONE: (415) 437-7820
EMAIL: CAS-SF@psc.hhs.gov

June 24, 2021

Rus Blackford
Director Revenue Accounting
Children's Hospital Los Angeles
4650 Sunset Blvd.
Los Angeles, CA 90027

Dear Mr. Blackford:

A copy of the indirect cost and fringe benefit cost rates agreement is being sent to you for signature. 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 and fringe benefit costs on grants and contracts with the Federal Government.

In addition, both parties agree to the following over/under recoveries:

Under-recovery of \$2,593,044 applicable to All Employees

The amount is included in your fixed fringe benefit rates for the fiscal year ending 06/30/22 which is listed in the attached rate agreement.

Please have the agreement signed by an authorized representative of your organization and return within ten business days of receipt. The signed agreement can be sent to me by email, while retaining the copy for your files. Only when the signed agreement is returned, will we then reproduce and distribute the agreement to the appropriate awarding organizations of the Federal Government for their use.

An indirect cost and fringe benefit proposals, together with the required supporting information, must be submitted to this office for each fiscal year in which your organization claims fringe benefit costs under grants and contracts awarded by the Federal Government. Therefore, your next indirect cost and fringe benefits proposals based on fiscal year ending 06/30/21 are due in our office by 12/31/21. Please submit your next proposal electronically via email to CAS-SF@psc.hhs.gov.

Sincerely,

Arif M. Karim -S⁵
Digitally signed by Arif M. Karim -
Date: 2021.07.01 11:33:54 -05'00'

Arif Karim, Director
Cost Allocation Services

Enclosure

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY EMAIL

