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### Budget Justification Narrative - DRI

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**General:** The methods used in estimating the costs for this proposal are consistent with those used in other projects of this type and are consistent with DRI's governing Federal cost principles, 2 CFR 200-Uniform Guidance.

**Personnel:** The Desert Research Institute (DRI) is a non-profit research institution of higher education (as opposed to a degree granting entity). As such, DRI faculty salaries are funded solely from grants and contracts with no ability to obtain tenure. Monthly rates are based on current actual salaries with a 5% increase for annual merit and cost of living adjustment for the future project years. Funding is requested for Benjamin Hatchett to perform field work, analysis of climate variability, assist with the development of the hydrologic model, and writing publications and reports, Craig Smith to perform mesoscale model simulations and analyses, and Chris Garner to develop the hydrologic model, perform simulations, and conduct analyses of model output.

**Fringe Benefits:** DRI's fringe benefit rate for professional employees is 48.1% and 21.7% for post doc employees. Rates are negotiated and approved annually by the U.S. Department of Health and Human Services. DRI applies these fringe benefit rates to salaries for both budgeting and charging purposes for research projects. The benefits that are included in these rates are FICA, health insurance, vacation, sick leave, unemployment, grant-in-aid, disability insurance, Medicare, and retirement plan.

**Travel:** All per diem rates are based on the Federal Travel Regulations, airfare rates are based on 7-21 day advance coach-class, and vehicle rental rates are based on contracted rates for State of Nevada agencies. Travel support is requested for Benjamin Hatchett to travel to the High Rock Lake field site for three days to collect datable material to produce the shoreline reconstruction and to present at the Great Basin Climate Forum (one day).

**Other Direct Costs:** Funding is requested for atomic mass spectroscopy analyses of six (6) 14-C organic samples collected from the High Rock Lake shoreline area which will be used to develop the shoreline reconstruction.

**Indirect Costs:** Indirect cost rates are negotiated and approved by the U.S. Department of Health and Human Services. The current provisional indirect cost rate for federal projects is 65% effective 07/01/16. The allowable CESU indirect cost rate of 17.5% has been applied to the modified total direct costs (excludes equipment and subcontracts in excess of \$25,000). Our cost share contribution is the difference from our approved rate and the allowable rate.

Desert Research Institute					
Division of Atmospheric Sciences					
Sponsor: US DOI BLM					
Project: Bureau-wide National Conservation Lands Scientific Studies Support Program					
Period: 04/01/2017 - 03/31/2018					

	Year 1				
		Sponsor		DRI Cost Share	
	Rate	Units	Amount	Units	Amount
<b>SALARIES</b>					
<b>Professional</b>	<b>Per Month</b>				
Garner, Chr s	\$ 6,833	0.60	\$ 4,100		
Smith, Craig	\$ 7,580	0.45	\$3,411		
<b>Post-Doc</b>					
Hatchett, Ben (PI)	\$ 4,417	1.28	\$ 5,654		
<b>TOTAL SALARIES</b>			\$ 13,165		
<b>FRINGE BENEFITS</b>					
Professional	48.1%		\$ 3,613		
Post-Doc	21.7%		\$ 1,227		
<b>TOTAL FRINGE BENEFITS</b>			\$ 4,840		
<b>TOTAL PERSONNEL</b>			\$ 18,005		
<b>TRAVEL</b>					
<i>To Field Study - Black Rock Desert</i>					
Motor Pool Vehicle Daily Rate	\$ 40	3	\$ 120		
Motor Pool Vehicle Mileage	\$ 0.65	400	\$ 260		
Per Diem - lodging & meals	\$ 142	3	\$ 426		
<i>To Conference</i>					
Per Diem - lodging & meals	\$ 250	1	\$ 250		
Ground Transportation	\$ 60	2	\$ 120		
<b>TOTAL TRAVEL</b>			\$ 1,176		
<b>OTHER DIRECT COSTS</b>					
Samples			\$ 2,090		
<b>TOTAL OTHER DIRECT COSTS</b>			\$ 2,090		
<b>TOTAL DIRECT COSTS</b>			\$ 21,271		\$ -
<b>MODIFIED DIRECT COSTS</b>			\$ 21,271		\$ -
INDIRECT COST: Sponsor (CESU Rate)	17.5%		\$ 3,722		\$ -
INDIRECT COST: Forgiven Indirect Cost Share	47.5%		\$ -		\$ 10,104
<b>TOTAL ESTIMATED COST</b>			\$ 24,993		\$ 10,104

# NONPROFIT RATE AGREEMENT

EIN:	DATE:06/09/2016
ORGANIZATION:	FILING REF.: The preceding
Desert Research Institute	agreement was dated
2215 Raggio Parkway	07/06/2015
Reno, NV 89512-1095	

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)
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### EFFECTIVE PERIOD

TYPE	FROM	TO	RATE(%) LOCATION	APPLICABLE TO
FINAL	07/01/2014	06/30/2015	69.50 On-Site	All Programs
FINAL	07/01/2014	06/30/2015	45.80 Off-Site	All Programs
PROV.	07/01/2015	06/30/2016	69.50 On-Site	All Programs
PROV.	07/01/2015	06/30/2016	46.00 Off-Site	All Programs
PROV.	07/01/2016	06/30/2017	65.00 On-Ste	All Programs
PROV.	07/01/2016	06/30/2017	44.00 Off-Site	All Programs

### \*BASE

Total direct costs excluding capital expenditures (building, individual items of equipment; alterations and renovations), and that portion of each subaward in excess of \$25,000.

ORGANIZATION: Desert Research Institute

AGREEMENT DATE: 6/9/2016

**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	7/1/2016	6/30/2017	48.10	All	Professional
FIXED	7/1/2016	6/30/2017	21.70	All	Post Doctoral
FIXED	7/1/2016	6/30/2017	40.70	All	Technical
FIXED	7/1/2016	6/30/2017	29.20	All	Graduate Students
FIXED	7/1/2016	6/30/2017	2.70	All	Hourly/Letter of Appointment
PROV.	7/1/2017	Until amended		(1)	

\*\* DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages excluding vacation, sick leave pay and other paid absences.

(1) Use same rates and conditions as those cited for fiscal year ending June 30, 2017.

ORGANIZATION: Desert Research Institute

AGREEMENT DATE: 6/9/2016

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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

The costs of vacation, sick leave pay and other paid absences are included in the organization's fringe benefit rate and are not included in the direct cost of salaries and wages. Claims for direct salaries and wages must exclude those amounts paid or accrued to employees for periods when they are on vacation, sick leave or are otherwise absent from work.

### DEFINITION OF OFF-SITE

For all activities performed in facilities not owned by the organization and to which rent is directly allocated to the project(s), the off-site rate will apply. For all activities performed in facilities not owned by the organization and for which rent is not charged to the organization, the off-site rate will also apply. Actual costs will be apportioned between on-site and off-site components. Each portion will bear the appropriate rate.

### 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 included in the fringe benefit rate(s): FICA, HEALTH INSURANCE, VACATION, SICK LEAVE, UNEMPLOYMENT, GRANT-IN-AID, DISABILITY INSURANCE, MEDICARE, AND RETIREMENT PLAN.

### NEXT PROPOSAL DUE DATE

An indirect cost and fringe benefit rate proposal based on actual costs for fiscal year ending 06/30/16, will be due no later than 12/31/16.

ORGANIZATION: Desert Research Institute

AGREEMENT DATE: 6/9/2016

**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:

Desert Research Institute

(INSTITUTION)

(SIGNATURE)

(NAME)

(TITLE)

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Arif M. Karim -S  
Digitally signed by Arif M. Karim -S  
 DN: cn=US, o=U.S. Government, ou=HHS, ou=PSC,  
 ou=People, cn=Arif M. Karim -S,  
 0.9.2342.19200300.100.1.1=2000212895  
 Date: 2016.06.14 15:18:59 -0500

(SIGNATURE)

Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

6/9/2016

(DATE) 0117

HHS REPRESENTATIVE: Ernest Willard

Telephone: (415) 437-7820