Boston University Vice President for Financial Affairs & Treasurer

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BOSTON UNIVERSITY

Memorandum

To: Vice Presidents, Deans, Directors, Department Chairmen, Principal Investigators and Project Directors

From: Martin J. Howard, Vice President for Financial Affairs and Treasurer

Date: March 17, 2009

Subject: New Fringe Benefit Rates on Grants and Contracts

Boston University has recently concluded fringe benefit rate negotiations with the Department of Health & Human Services for the fiscal year beginning July 1, 2009. The rate agreement is dated February 10, 2009. The following rates should be reflected on all future grant and contract proposals where there is activity for the dates specified below:

July 1, 2008 - June 30, 2009

	Federal and Federal Pass-Through Awards*	Non-Federal Awards
Professional	26.5%	28.3%
Support Staff	24.1%	25.9%
Consultants	8.2%	8.2%

July 1, 2009 - Until Amended

	Federal and Federal Pass-Through Awards*	Non-Federal Awards
Professional	26.7%	28.9%
Support Staff	23.4%	25.4%
Consultants	8.1%	8.1%

* Awards from non-federal sponsors, where the prime award is from a federal agency, are subject to the rate applicable to federal awards.

In accordance with federal regulations governing the calculation of fringe benefit rates, Boston University has removed from the federal fringe benefit cost pool the costs associated with tuition remission for family members of employees. Although the federal government has disallowed tuition remission for family members as a component of the fringe benefit rate, Boston University's fringe benefit policy for faculty and staff, including family members, remains unchanged.

In order to continue this benefit for our employees and their family members, it is necessary to establish separate fringe benefit rates for federal awards (including awards with federal pass-through funding) and non-federal awards. The non-federal fringe benefit rates include the costs of tuition remission for family members of employees.

The fringe benefit rates will be applied on a salary and wage basis. The consultant fringe benefit rate will be applied to independent contractors deemed to be "employees" for federal withholding purposes.

The above rates are effective immediately on new proposals for the period indicated. Questions regarding the use of these rates on proposal budgets should be referred to the Office of Sponsored Programs on the Charles River Campus at (617) 353-4365 and the Office of Research Administration on the Medical Campus at (617) 638-4600.