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Subject: BWH FY22 Fringe Benefit and Indirect Cost Rates

I am writing to provide an update on the FY22 Fringe Benefit Rate and Indirect Cost Rates that will be applied on BWH research funds, effective October 1, 2021.

Fringe Benefit Rates

The FY22 Fringe Benefit Rates for Professional Staff-MD’s will increase to 31% and Fellows will increase to 34%. While the FY23 fringe benefit rates will not be established until next September based on updated known costs, we are recommending that grant budgets for future years incorporate the following multi-year fringe rate assumptions.

Employee Category	Fringe Rates			
	FY21	FY22	FY23*	FY24 and after*
<i>Professional Staff – MDs</i>	30%	31%	31%	32%
<i>Professional Staff – PhDs</i>	35%	35%	35%	35%
<i>Non-professional Staff (Weekly Staff)</i>	36%	36%	36%	36%
<i>Fellows</i>	32%	34%	34%	35%
<i>Interns & Residents</i>	28%	28%	28%	28%
<i>Temporary Student Employees</i>	12%	12%	12%	12%

* anticipated rates for budgeting purposes only

Indirect Cost Rates

The federal [rate agreement](#) rates (per rate agreement dated September 28th, 2020) are reflected in the table below. They will be applied to all BWH research grants (and some contracts) effective October 1, 2021 and should be used in all contract, grant and subcontract proposals submitted to extramural sponsors.

Rate Type	Indirect Cost Rates		
	FY21	FY22	FY23 and after
<i>Onsite Research</i> Applied on MTDC* Base	79% Fixed	79% Provisional	79% Provisional
<i>Offsite Research**</i> Applied on MTDC* Base	29% Fixed	32% Provisional	32% Provisional
<i>Industry-Sponsored Clinical Trials</i>	30% Total Direct Cost Base; Cancer Center Trials 35% on TDC		
<i>Research Gifts and Sundry Funds</i>	15% MTDC* Base		

*Modified Total Direct Cost (MTDC) Base: Total direct costs, excluding: equipment costs; those portions of subcontracts in excess of \$25,000; alteration and renovation costs; hospitalization and other fees related to patient care; and animal center costs.

**Off-Site Rate Definition: 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. Grants or contracts will not be subject to more than one indirect cost rate. If more than 50% of a project is performed off-site, the off-site rate will apply to the entire project.