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Subject: McLean FY22 Fringe Benefit and Indirect Cost Rates

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

Fringe Benefit Rates

The fringe rate for McLean staff will decrease to 31% in FY22. The FY22 Fringe Benefit Rates will be applied to all McLean research funds effective October 1, 2021. 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>McLean All Staff</i>	32%	31%	31%*	31%*

* anticipated rates for budgeting purposes only

Indirect Cost Rates

The Federal rates (per Rate Agreement dated May 8th, 2020) are reflected in the table below. They will be applied to all McLean research grants (and some contracts) effective October 1, 2021 and should be used in all contract, grant and subcontract proposals submitted to extramural sponsors. For non-competing renewal awards, expenses should be re-budgeted between direct and indirect costs.

Rate Type	Indirect Cost Rates		
	FY21	FY22	FY23 and after
<i>Research - Applied on MTDC* Base</i>	64% Fixed	64% Prov.	64% Prov.
<i>Industry-Sponsored Clinical Trials</i>	30% Total Direct Cost Base		
<i>Research Sundry Funds</i>	15% MTDC* Base		

* Modified Total Direct Costs (MTDC) Base: Total Direct Costs excluding: items of equipment, that portion of subcontracts in excess of \$25,000, alterations and renovations, hospitalization and other fees related to patient care.

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