MEMORANDUM

To:        Distribution
From:     James D. Luther
Date:     June 3, 2009
Re:        Fringe Benefit Rates

The Department of Health and Human Services (DHHS) has formally approved Duke University’s federal fringe benefit rates for FY10. The negotiated rates for FY10 are summarized below.

<table>
<thead>
<tr>
<th></th>
<th>FY 09/10 Projected Non-Federal</th>
<th>FY 09/10 Projected Federal</th>
</tr>
</thead>
<tbody>
<tr>
<td>Faculty/Staff</td>
<td>23.6%</td>
<td>21.7%</td>
</tr>
<tr>
<td>House Staff</td>
<td>15.3%</td>
<td>15.3%</td>
</tr>
<tr>
<td>Hourly Staff</td>
<td>19.1%</td>
<td>18.5%</td>
</tr>
<tr>
<td>Students</td>
<td>7.7%</td>
<td>7.7%</td>
</tr>
<tr>
<td>PhD Students</td>
<td>7.1%</td>
<td>7.1%</td>
</tr>
</tbody>
</table>

Preliminary estimates for future year rates (e.g. FY11 and FY12) are usually provided in this annual communication to be used for budgeting and long range planning purposes, as well as preparing grant applications that cross fiscal years. However, the FY11 and FY12 estimated rates are omitted from this announcement as we are obtaining information from Human Resources and senior leadership regarding new economic assumptions that could effect the fringe rate calculations. The FY11 and FY12 projected rates will likely change from the estimates provided in the December 19, 2008 Fringe Benefits Rates announcement. Updated rate projections will be communicated in the coming weeks.

Note:
1) The “Federal” rate should be used for federal grants and contracts, Durham Regional Hospital, Duke Raleigh Hospital, Associated Health System (AHS), and Davis Ambulatory Surgical Center (DASC). The differentiation between Federal and Non-Federal reflects elimination of participation and reimbursement of the tuition grant benefit program for the afore-mentioned entities and funding sources.
2) The “Non-Federal” rates will be used for all other entities including non-federal grants, contracts, departments, etc…

Please distribute this information as appropriate.
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