

Duke University

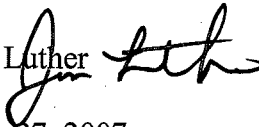
DURHAM
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FINANCIAL SERVICES
COST AND REIMBURSEMENT ACCOUNTING

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MEMORANDUM

To: Distribution

From: Jim Luther 

Date: June 27, 2007

Re: Fringe Benefit Rates

The Department of Health and Human Services (DHHS) has now formally approved our federal fringe benefit rates for FY08. The negotiated rates for FY08 and the projections through FY10 are summarized below. These fringe benefit rates should be used for budgeting and long range planning purposes, as well as when preparing grant applications that cross fiscal years. The projected rate decrease for hourly staff is driven by the favorable carry forward from FY 05/06 and projected savings in medical care costs.

The FY09 and FY10 rates are very preliminary and are likely to change based on the fall fringe benefit rate analysis and projection process. The FY09 rates have been adjusted based on the preliminary year-end projection for FY07.

| | Monthly <u>Staff</u> | House <u>Staff</u> | Hourly <u>Staff</u> | <u>Students</u> | PhD <u>Students</u> |
|--------------------------------|-------------------------|-----------------------|------------------------|-----------------|------------------------|
| FY 07/08 Budget Non-Federal | 22.7% | 15.9% | 19.3% | 7.7% | 5.3% |
| FY 07/08 Budget Federal | 20.9% | 15.9% | 18.3% | 7.7% | 5.3% |
| FY 08/09 Projected Non-Federal | 22.8% | 16.1% | 19.5% | 7.7% | 5.3% |
| FY 08/09 Projected Federal | 20.8% | 16.1% | 18.5% | 7.7% | 5.3% |
| FY 09/10 Projected Non-Federal | 22.8% | 18.5% | 22.7% | 7.7% | 5.3% |
| FY 09/10 Projected Federal | 21.0% | 18.5% | 21.6% | 7.7% | 5.3% |

Note:

- 1) The "Federal" rates will be used for: federal grants and contracts, Durham Regional Hospital, Duke Raleigh Hospital, and AHS/DASC. The differentiation reflects the elimination of participation in the reimbursement of the tuition grant benefit program for those entities and funding sources.
- 2) The "Non-Federal" rates will be used for all other entities including non-federal grants, contracts, departments, etc.
- 3) The PhD Student rate is new for FY08. Communications regarding this rate can be found on the Cost and Reimbursement Accounting website under Fringe Benefit Rates at <http://www.finsvc.duke.edu/Resources/Docs.html#fringe>.

Please distribute this information as appropriate.

Copy: Tallman Trask III, Clint Davidson, Hof Milam