



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Service
Division of Cost Allocation

DCA Western Field Office
90 7th Street, Suite 4-600
San Francisco, CA 94103

Elleen Lennon, PhD.
Executive Director
Seattle Institute for Biomedical and Clinical Research
1660 S. Columbian Way, S151F
Seattle, WA 98108

MAY 20 2009

Dear Dr. Lennon:

A copy of an Indirect cost/fringe benefit Negotiation Agreement is attached. This Agreement reflects an understanding reached between your organization and a member of my staff concerning the rate(s) that may be used to support your claim for indirect/fringe benefit costs on grants and contracts with the Federal Government. Please have the Agreement signed by a duly authorized representative of your organization and return it to me BY FAX, retaining the copy for your files. We will reproduce and distribute the Agreement to the appropriate awarding organizations of the Federal Government for their use.

In order to implement the FINAL indirect cost rate contained in the enclosed Agreement, an adjustment to the indirect costs claimed under your Federal awards may be required. For HHS project grants these adjustments must be made in accordance with the procedures for settlement of indirect costs on HHS project grants with final negotiated rates described in the appropriate "Guide" book for your institution. Adjustments under HHS contracts must be made in accordance with the provisions of the contracts. Adjustments under awards with other Federal agencies must be made in accordance with the policies of those agencies.

An indirect cost and fringe benefit proposal together with supporting information are required to substantiate your claim for costs under grants and contracts awarded by the Federal Government. Thus, your next proposals based on your fiscal year ending September 30, 2009, are due in our office by March 31, 2010.

Sincerely,

Handwritten signature of Wallace Chan in black ink.

Wallace Chan
Director

Enclosures

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY FAX

NONPROFIT RATE AGREEMENT

EIN #:

DATE: May 18, 2009

ORGANIZATION:

Seattle Institute for Biomedical & Clinical Res.
1660 S. Columbian Way, S151F

FILING REF.: The preceding Agreement was dated April 23, 2008

Seattle

WA 98108

The rates approved in this agreement are for use on grants, contracts and other agreements with the Federal Government, subject to the conditions in Section III.

SECTION I: INDIRECT COST RATES*

RATE TYPES: FIXED FINAL PROV. (PROVISIONAL) PRED. (PREDETERMINED)

TYPE	EFFECTIVE PERIOD		RATE (%)	LOCATIONS	APPLICABLE TO
	FROM	TO			
FINAL	10/01/07	09/30/08	35.7	All	All Programs
PROV.	10/01/08	09/30/10	35.7	All	All Programs

***BASE:**

Total direct costs excluding capital expenditures (buildings, individual items of equipment, alterations and renovations), and that portion of each subaward in excess of \$25,000.

ORGANIZATION:
 Seattle Institute for Biomedical & Clinical Res.

AGREEMENT DATE: May 18, 2009

SECTION I: FRINGE BENEFITS RATES**

RATE TYPES: **FIXED** **FINAL** **PROV. (PROVISIONAL)** **PRED. (PREDETERMINED)**

<u>TYPE</u>	<u>EFFECTIVE PERIOD</u>		<u>RATE (%)</u>	<u>LOCATIONS</u>	<u>APPLICABLE TO</u>
	<u>FROM</u>	<u>TO</u>			
FIXED	10/01/09	09/30/10	31.3	All	All Employees
PROV.	10/01/10	09/30/11	31.3	All	All Employees

****DESCRIPTION OF FRINGE BENEFITS RATE BASE:**

Salaries and wages including vacation, holiday, sick leave pay and other paid absences.

ORGANIZATION:
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AGREEMENT DATE: May 18, 2009

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

This organization uses a fringe benefit rate which is applied to salaries and wages for both budgeting and charging purposes for Federal projects.

TREATMENT OF PAID ABSENCES:

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other agreements as part of the normal cost for salaries and wages. Separate claims for the costs of these paid absences are not made.

DEFINITION OF EQUIPMENT

Equipment is defined as tangible nonexpendable personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit.

The following fringe benefits are included in the fringe benefit rate(s):
FICA, SUTA, MEDICARE, WORKERS COMPENSATION, MEDICAL/VISION/DENTAL/LIFE INSURANCE,
DISABILITY INSURANCE, RETIREMENT, EAP, AND TERMINATION LEAVE.

ORGANIZATION:
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AGREEMENT DATE: May 18, 2009

SECTION III: GENERAL

A. LIMITATIONS:

The rates in this Agreement are subject to any statutory or administrative limitations and apply to a given grant, contract or other agreement only to the extent that funds are available. Acceptance of the rates is subject to the following conditions: (1) Only costs incurred by the organization were included in its indirect cost pool as finally accepted; such costs are legal obligations of the organization and are allowable under the governing cost principles; (2) The same costs that have been treated as indirect costs are not claimed as direct costs; (3) Similar types of costs have been accorded consistent accounting treatment; and (4) The information provided by the organization which was used to establish the rates is not later found to be materially incomplete or inaccurate by the Federal Government. In such situations the rate(s) would be subject to renegotiation at the discretion of the Federal Government.

B. ACCOUNTING CHANGES:

This Agreement is based on the accounting system purported by the organization to be in effect during the Agreement period. Changes to the method of accounting for costs which affect the amount of reimbursement resulting from the use of this Agreement require prior approval of the authorized representative of the cognizant agency. Such changes include, but are not limited to, changes in the charging of a particular type of cost from indirect to direct. Failure to obtain approval may result in cost disallowances.

C. FIXED RATES:

If a fixed rate is in this Agreement, it is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to a rate of a future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

D. USE BY OTHER FEDERAL AGENCIES:

The rates in this Agreement were approved in accordance with the authority in Office of Management and Budget Circular A-122 Circular, and should be applied to grants, contracts and other agreements covered by this Circular, subject to any limitations in A above. The organization may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

BY THE ORGANIZATION:
Seattle Institute for Biomedical & Clinical Res.

(ORGANIZATION)

Eileen Lennon

(SIGNATURE)

(NAME)

Eileen Lennon, PhD
Executive Director

(TITLE)

5/21/09

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Wallace Chan

(SIGNATURE)

Wallace Chan

(NAME)

DIRECTOR, DIVISION OF COST ALLOCATION

(TITLE)

May 18, 2009

(DATE) 3211

HHS REPRESENTATIVE: Ernest L. Willard

Telephone: (415) 437-7820