



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

26 Federal Plaza, Room 3412
New York, NY 10278
PHONE: (212) 264-2069
EMAIL: CAS-NY@psc.hhs.gov

December 28, 2020

Ms. Grace Cashman
Senior Director of Research Administration
Boston Medical Center
One Boston Medical Center Place
Boston, MA 02118-2999

Dear Ms. Cashman:

A copy of an indirect cost rate agreement is being sent to you for signature. 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 costs on grants and contracts with the Federal Government.

Requirements for adjustments to costs claimed under Federal Grants and Contracts resulting from this negotiation are dependent upon the type of rate contained in the negotiation agreement. Information relating to these requirements is enclosed.

In consideration of this negotiation, the following was agreed to:

1. The Carry-Forward Under-Recovery of \$114,683 resulting from the settlement of the actual On-Site fixed indirect cost rate for fiscal year ended September 30, 2019 has been considered in establishing the On-Site fixed indirect cost rate for fiscal year ending September 30, 2021. The Under-Recovery must be included in finalizing the rate for fiscal year ending September 30, 2021.
2. The Carry-Forward Under-Recovery of \$93,766 resulting from the settlement of the actual Off-Site indirect cost rate for fiscal year ended September 30, 2019 has been considered in establishing the Off-Site fixed indirect cost rate for fiscal year ending September 30, 2021. The Under-Recovery must be included in finalizing the rate for fiscal year ending September 30, 2021.
3. The Carry-Forward Under-Recovery of \$846,707 resulting from the settlement of the actual Other Sponsored Activities indirect cost rate for fiscal year ended September 30, 2019 has been considered in establishing the Other Sponsored Activities fixed indirect cost rate for fiscal year ending September 30, 2021. The Under-Recovery must be included in finalizing the rate for fiscal year ending September 30, 2021.
4. The Carry-Forward Over-Recovery of (\$822,345) resulting from the settlement of the actual All Employees fringe benefit cost rate for fiscal year ended September 30, 2019 has been considered in establishing the fixed All Employees fringe benefit cost rate for fiscal year ending September 30, 2021. The Under-Recovery must be included in finalizing the rate for fiscal year ending September 30, 2021.
5. The following Carry-Forwards have been established in prior agreements and must be included in finalizing the rates for the fiscal years listed below:

<u>CAS Letter</u>	<u>Type</u>	<u>Amount</u>	<u>FYE</u>
November 17, 2017	All Employees	\$5,172,015	September 30, 2020
February 5, 2019	All Employees	\$6,323,115	September 30, 2021
January 17, 2020	On-Site Research	\$1,500,000	September 30, 2020
January 17, 2020	Off-Site Research	\$600,000	September 30, 2020
January 17, 2020	OSA	\$1,000,000	September 30, 2020
January 17, 2020	All Employees	\$4,988,590	September 30, 2020

- 6. A fringe benefit proposal for fiscal year ended September 30, 2020 is due on March 31, 2021.
- 7. The Coronavirus, Aid, Relief and Economic Security Act (CARES Act) allows employers to defer the deposit and payment of the employer's share of Social Security taxes. Boston Medical Center has elected to defer Social Security taxes from March 27, 2020 – December 31, 2020. The Social Security taxes accrued for October 1, 2020 – September 30, 2021 has been included in the Fringe Benefit rates included in this rate agreement. Therefore, the calculation of the rates for fiscal years ending October 1, 2021 – September 30, 2023 should not include the deposit and payment made for the Social Security taxes accrued and deferred in October 1, 2020 – September 30, 2021

An indirect cost rate proposal, together with the supporting information, is required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Thus, your next proposal based on actual costs for the fiscal year ended 09/30/2020 is due in our office by 03/31/2021.

Please have the agreement signed by an authorized representative of your organization and returned to me by email, retaining the copy for your files. In addition, please acknowledge your concurrence with the agreed-upon carryforward by signing this letter in the space provided below. Our email address is CAS-NY@psc.hhs.gov. We will reproduce and distribute the agreement to the appropriate awarding organizations of the Federal Government for their use.

Sincerely,

Darryl W. Mayes
 S
 Darryl W. Mayes
 Deputy Director
 Cost Allocation Services

Digitally signed by Darryl W. Mayes - S
 DN: c=US, o=U.S. Government, ou=HHS, ou=PSC,
 ou=People, o=92342.192003001001.1.1=2000131669,
 cn=Darryl W. Mayes - S
 Date: 2021.01.19 12:38:17 -0500

Enclosures

Concurrence:



Grace Cashman

Name

Sr Director of Research Operations

Title

1/21/21
 Date

HOSPITALS RATE AGREEMENT

EIN: 1043314093A1

DATE:12/28/2020

ORGANIZATION:

FILING REF.: The preceding agreement was dated 01/17/2020

Boston Medical Center
One Boston Medical Center Place
Boston, MA 02118-2999

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)

EFFECTIVE PERIOD

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FIXED	10/01/2020	09/30/2021	75.00	On-Site	Research
FIXED	10/01/2020	09/30/2021	34.00	Off-Site	Research
FIXED	10/01/2020	09/30/2021	48.00	All	Other Sponsored Activities
PROV.	10/01/2021	09/30/2024			Use same rates and conditions as those cited for fiscal year ending September 30, 2021.

*BASE

Total direct costs excluding capital expenditures (buildings, individual items of equipment; alterations and renovations), that portion of each subaward in excess of \$25,000; hospitalization and other fees associated with patient care whether the services are obtained from an owned, related or third party hospital or other medical facility; rental/maintenance of off-site activities; student tuition remission and student support costs (e.g., student aid, stipends, dependency allowances, scholarships, fellowships).

ORGANIZATION: Boston Medical Center

AGREEMENT DATE: 12/28/2020

SECTION I: FRINGE BENEFIT RATES**

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE(%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FIXED	10/1/2020	9/30/2021	32.50	All	All Employees
PROV.	10/1/2021	9/30/2024	32.50	All	All Employees

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

ORGANIZATION: Boston Medical Center

AGREEMENT DATE: 12/28/2020

SECTION II: SPECIAL REMARKS

TREATMENT OF FRINGE BENEFITS:

The fringe benefits are charged using the rate(s) listed in the Fringe Benefits Section of this Agreement. The fringe benefits included in the rate(s) are listed below.

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 are not made for the cost of these paid absences.

1. Boston Medical Center was formerly Boston University Medical Center Hospital, Boston City Hospital and Boston Speciality and Rehabilitation Hospital and Trustees of Health and Hospitals of the City of Boston, Inc.
2. Equipment means tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost which equals or exceeds the lesser of the capitalization level established by the non-Federal entity for financial statement purposes, or \$5,000.
3. The following fringe benefits are included in the fringe benefit rate: FICA, Pension, Health Insurance, Dental Insurance, Life Insurance, Long Term Disability Insurance, Short Term Disability Insurance, Worker's Compensation and Unemployment Insurance, Flex Benefit Payout, Human Resources, Occupational Health, employee cafeteria discount, severance, unused leave cash out, and parking subsidy.

The next IDC and FB proposal based on actual costs for the fiscal year ending 09/30/2020 is due in our office by 03/31/2021.

ORGANIZATION: Boston Medical Center

AGREEMENT DATE: 12/28/2020

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 cost principles promulgated by the Department of Health and Human Services, and should be applied to the grants, contracts and other agreements covered by these regulations subject to any limitations in A above. The hospital may provide copies of the Agreement to other Federal Agencies to give them early notification of the Agreement.

E. OTHER:

If any Federal contract, grant or other agreement is reimbursing indirect costs by a means other than the approved rate(s) in this Agreement, the organization should (1) credit such costs to the affected programs, and (2) apply the approved rate(s) to the appropriate base to identify the proper amount of indirect costs allocable to these programs.

BY THE INSTITUTION:

Boston Medical Center

(INSTITUTION)



(SIGNATURE)

Grace Cashman

(NAME)

Sr. Director of Research Operations

(TITLE)

1/21/21

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Darryl W. Mayes - Digitally signed by Darryl W. Mayes S
DN: cn=US, o=U.S. Government, ou=HHS, ou=OSC,
ou=People, ou=92342.19200308.100.1.1, 2000131669,
c=Darryl W. Mayes-S
Date: 2021.01.19 12:37:21 -0500

(SIGNATURE)

Darryl W. Mayes

(NAME)

Deputy Director, Cost Allocation Services

(TITLE)

12/28/2020

(DATE) 1647

HHS REPRESENTATIVE: Ryan McCarthy

Telephone: (212) 264-2069