



Department of Energy

Brookhaven Area Office
Building 464
P. O. Box 5000
Upton, New York 11973

FEB 17 2004

Ms. Deborah Konopko, Regional Director
Department of Health and Human Services
26 Federal Plaza, Room 3835
New York, New York 10278

Dear Ms. Konopko:

**SUBJECT: INDIRECT RATE FOR BROOKHAVEN NATIONAL LABORATORY
 (BNL)**

In accordance with our established procedures, enclosed please find a copy of a letter from Richard C. Melucci dated February 6, 2004 advising of the FY 2004 indirect rates being applied to National Institute of Health grants. If you have any questions or require any additional information, please contact Pat Palladino at (631) 344-3438/

Sincerely,

A handwritten signature in black ink, appearing to read "Robert P. Gordon".

Robert P. Gordon, Director
Business Management Division

Enclosure:
As stated

cc: R. Kito, BNL, w/o enc.

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BROOKHAVEN
NATIONAL LABORATORY

managed by Brookhaven Science Associates
for the U.S. Department of Energy

www.bnl.gov

February 6, 2004

Mr. Robert Gordon
Administrative Branch
Brookhaven Group Office
U.S. Department of Energy
Upton, NY 11973

Dear Mr. Gordon:

In accordance with the Memorandum of Understanding between NIH and the U.S. Department of Energy (DOE), NIH is unable to award funds specifically for laboratory directed research and development (LDRD). However, NIH does recognize the need for DOE to properly administer its LDRD program and, therefore, NIH will not restrict the DOE laboratory contractors from recovering LDRD costs within the total funding included in NIH grant awards to DOE Laboratory contractors

Please advise NIH that the indirect rate for Brookhaven Science Associates, LLC/Brookhaven National Laboratory for Fiscal Year 2004 is 42.2%. The rate net of LDRD is 38.9%. The Consortium/Subcontract Indirect Rate is 8%. In addition NIH will be charged a Material and Consortium/ Subcontract Burden and the individual departments' organizational and electric burden as follows:

Material Burden on Material, Supplies, Communication, Travel, Purchased Equipment and Consortium/Contractual Agreements	6.50%
Biology Organizational Burden on Salaries & Fringe	24.50%
Biology Space/Fuel Charge based on Salaries & Fringe	16.21%
Biology Electric Burden on Salaries & Fringe	4.00%
Medical Organizational Burden on Salaries & Fringe	25.0%
Medical Space/Fuel Charge per sq. ft.	per sq. ft.
Medical Electric Burden on Salaries & Fringe	4.25%
Chemistry Organizational Burden on Salaries & Fringe	28.00%
Chemistry Space/Fuel Charge per sq. ft.	per sq. ft.
Chemistry Electric Burden on Salaries & Fringe	4.80%
National Synchrotron Light Source (NSLS) Organizational Burden on Salaries & Fringe	12.50%
NSLS Space/Fuel Charge per sq. ft.	per sq. ft.
NSLS Electric Burden on Salaries & Fringe	2.30%

The Chemistry, Medical and National Synchrotron Light Source Departments charge space directly (based upon square footage occupied) to each of their scientific programs. The Biology Department has included the space costs with the Department administrative costs and allocates its charge based upon a percentage of salaries and fringe.

If you have any questions, please do not hesitate to contact me.

Very truly yours,



Richard C. Melucci
Budget Officer

RCM/rk