



DEPARTMENT OF HEALTH & HUMAN SERVICES

Program Support Center
Financial Management Portfolio
Cost Allocation Services

90 7th Street, Suite 4-600
San Francisco, CA 94103-6705
PHONE: (415) 437-7820
FAX: (415) 437-7823
EMAIL: CAS-SF@psc.hhs.gov

January 20, 2016

Susan L. Barnes
Executive VP & CFO
Blood Systems, Inc.
6210 E. Oak Street
P.O. Box 1867
Scottsdale, AZ 85252-1867

Dear Ms. Barnes:

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.

Please have the agreement signed by an authorized representative of your organization and return within ten business days of receipt. The signed agreement can be sent to me by email or fax, while retaining the copy for your files. Only when the signed agreement is returned, will we then reproduce and distribute the agreement to the appropriate awarding organizations of the Federal Government for their use.

The indirect cost and fringe benefits proposals, together with the supporting information, are required to substantiate your claim for indirect costs under grants and contracts awarded by the Federal Government. Therefore, your next proposals based on actual costs for the fiscal year ending 12/31/15 are due in our office by 06/30/16. Please submit your next proposal electronically via email to CAS-SF@psc.hhs.gov.

Sincerely,

Arif Karim, Director
Cost Allocation Services

Enclosure

PLEASE SIGN AND RETURN THE NEGOTIATION AGREEMENT BY EMAIL OR FAX

NONPROFIT RATE AGREEMENT

EIN: DATE:01/20/2016
ORGANIZATION: FILING REF.: The preceding
Blood Systems, Inc. agreement was dated
6210 E. Oak Street 01/06/2015
P.O. Box 1867
Scottsdale, AZ 85252-1867

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>
FINAL	01/01/2014	12/31/2014	60.00	BSRI - SF, CA	Research
PROV.	01/01/2015	12/31/2016	58.30	BSRI - SF, CA	Research
PROV.	01/01/2016	12/31/2016	58.30	BSRI - Denver, CO	Research

*BASE

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

ORGANIZATION: Blood Systems, Inc.

AGREEMENT DATE: 1/20/2016

SECTION I: FRINGE BENEFIT RATES**

<u>TYPE</u>	<u>FROM</u>	<u>TO</u>	<u>RATE (%)</u>	<u>LOCATION</u>	<u>APPLICABLE TO</u>
FINAL	1/1/2014	12/31/2014	26.80	BSRI - SF, CA	Research
PROV.	1/1/2015	12/31/2016	26.80	BSRI - SF, CA	Research
PROV.	1/1/2016	12/31/2016	26.80	BSRI - Denver, CO	Research

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:

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

ORGANIZATION: Blood Systems, Inc.

AGREEMENT DATE: 1/20/2016

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.

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:
PAYROLL TAXES, WORKERS COMPENSATION, HEALTH INSURANCE, UNEMPLOYMENT INSURANCE, AND RETIREMENT.

NEXT PROPOSAL DUE DATE

The indirect cost and fringe benefits proposals based on actual costs for fiscal year ending 12/31/15 will be due no later than 06/30/16.

ORGANIZATION: Blood Systems, Inc.

AGREEMENT DATE: 1/20/2016

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 Title 2 of the Code of Federal Regulations, Part 200 (2 CFR 200), and should be applied to grants, contracts and other agreements covered by 2 CFR 200, 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.

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:

Blood Systems, Inc.

(INSTITUTION)

Susan L. Barnes

(SIGNATURE)

SUSAN L. BARNES

(NAME)

EXECUTIVE U.P. & CFO

(TITLE)

1-29-2016

(DATE)

ON BEHALF OF THE FEDERAL GOVERNMENT:

DEPARTMENT OF HEALTH AND HUMAN SERVICES

(AGENCY)

Arif M. Karim -S

(SIGNATURE)

Arif Karim

(NAME)

Director, Cost Allocation Services

(TITLE)

1/20/2016

(DATE) 3136

HHS REPRESENTATIVE:

Helen Fung

Telephone:

(415) 437-7820

Digitally signed by Arif M. Karim -S
DN: c=US, o=U.S. Government, ou=HHS,
ou=PSC, ou=People, cn=Arif M. Karim -S,
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Date: 2016.01.28 21:11:06 -0600