



MEMORANDUM

Date: June 17, 2011
To: Main Campus Principal Investigators, Chairs, Deans, Directors, and Department Administrators
From: Julia Fulghum, Vice President for Research
Re: Fringe Benefit Rates on Proposals - FY 2012

The following fringe benefit rates are to be used on contract and grant proposal budgets. These rates replace prior year rates. Principal investigators may either use prior year actual or estimated rates as noted in Method 2. To be in compliance with OMB Circular A-21, Cost Accounting Standards, whichever method is used (Method 1 or Method 2); it must be used consistently throughout the entire proposal. As we are responsible for the actual costs incurred, the budgeted amounts should reflect as close as possible what actual expenses will be. In the event that the budgeted amount does not cover the actual costs incurred, it will be necessary to re-budget during the period of the contract/grant to pay for actual fringe benefit costs.

Method 1 (Actuals):

Estimate actual cost by person based on past experience. A Hyperion report showing fringe benefit rates as a percent of salary must be included as supplementary documentation when the proposal is sent to Pre-Award Services, Main. A schedule of all personnel on the grant and their respective fringe rates is to be included in each proposal. After accounting for statutorily mandated Educational Retirement adjustments: an additional 1.75% in FY 13, an additional 2.25% in FY 14, and an additional .75% in FY 15; fringe benefits are to be increased by 2.25% per year. (FY 13 example: 26.8% (FY 12 full-time faculty rate) to 29.21% (FY 13 rate) is calculated as follows 26.8% + 1.75% = 28.5% * 1.0225% = 29.2%).

Method 2 (Estimates):

The Fringe Benefits below assumes projected changes to: (a) the miscellaneous fringe benefits and workers' compensation rates in FY 13; (b) 5% group insurance rate increase each year, FY 13-FY 16, for eligible employees; and (c) statutorily required Educational Retirement changes each year, FY 13-16:

Table with 6 columns: Category, FY 12, FY 13, FY 14, FY 15, FY 16. Rows include Faculty .50 FTE and above, Staff .50 FTE and above, Part-time faculty and staff, Summer salary only, Postdoctoral fellows, Undergraduate students, Graduate students, and Temp Employees.

Tuition for Research Assistants should be a separate line item.

* Proposals exceeding FY 16 will continue to use FY 16 rates

Note: For all Research Assistants (RA) and Project Assistants (PA) .25 FTE and higher, health insurance should be budgeted as follows for either method:

Table with 6 columns: Category, FY 12, FY 13, FY 14, FY 15, FY 16. Rows include Fall, Spring/Summer, and Summer Only.