

**UNIVERSITY OF ILLINOIS AT CHICAGO
OFFICE OF BUSINESS & FINANCIAL SERVICES
FY11 FACILITIES & ADMINISTRATIVE (F&A), FRINGE BENEFIT
AND TUITION REMISSION RATES**

Departmental personnel are frequently required to prepare budgets for University activities including sponsored projects (i.e., grants and contracts). The budget generally includes salaries and wages of personnel, commodities, contractual services, travel, equipment, etc. Certain funds/accounts are required to budget for the payment of the cost of employee fringe benefits. Also, grant and contract projects are required to budget for University F&A (indirect) costs. This document presents the University of Illinois at Chicago's (UIC) provisional F&A and fringe benefit rates for FY11; the finalized tuition remission rate for FY11; the projected fringe benefit rates for FY12 – FY14; and instructions for budgeting fringe benefits beyond FY14.

A. FY11 PROVISIONAL FACILITIES AND ADMINISTRATIVE (F&A) RATES

The FY11 – FY13 F&A rates have not been finalized and approved by our cognizant Federal Agency, the Office of Naval Research (ONR). A provisional rate agreement covering the period July 1, 2010 through June 30, 2011 has been approved by ONR. These rates, listed on page 2, include separate categories for Instruction, Organized Research, Other Sponsored Activities for on-campus and off-campus projects.

• F&A Rates for Instruction, Organized Research and Other Sponsored Activities

o **Definitions**

• Instruction

Includes all teaching (direct and indirect), course and curriculum development, and academic advising and development. Instruction also includes departmental research, defined as all research and scholarly development which: (1) is supported by University funds, (2) is not separately budgeted, (3) is not performed for a specific sponsored research agreement, and (4) is undertaken in general support of the instructional function of the institution.

• Organized Research

Includes all research and development activities that are: (1) separately budgeted and accounted for by the University, and (2) performed for specific research projects. Sponsored research means all research and development activities that are sponsored by federal and non-federal agencies and organizations. This term includes activities involving the training of individuals in research techniques (commonly called research training) where activities use the same facilities as other research and development activities and where such activities are not included in the instruction function.

• Other Sponsored Activities

Includes sponsored program activities other than instruction or organized research. This definition includes grants and contracts in support of public service, administration, student services, and the library. Not included in the definitions are fellowships, work study and gifts in support of the same.

o **Base for Rate Assessment**

Direct costs are those costs that can be identified specifically with a particular sponsored project, relatively easily with a high degree of accuracy. The base on which F&A will be assessed is Modified Total Direct Costs (MTDC) which includes such expenditures as salaries and wages, fringe benefits, materials and supplies, travel, services and the first \$25,000 of subcontract expenditures. The MTDC excludes equipment costing \$5,000 or more; subcontract expenditures in excess of \$25,000; graduate assistant tuition remission; fellowships; scholarships; traineeships; patient care charges; and rental/lease of capital items. UIC has elected, at this time, not to assess F&A costs on equipment items with an acquisition cost of \$500 or more, for awards based on proposals submitted for external funding. This use of a lower threshold is only for purposes of F&A cost assessment.

o **Continuing Projects**

Under federal guidelines, rates and bases should continue for the life of the project until a competing renewal is submitted. Therefore, the University will honor the rates in place for continuing projects. Proposals for non-competing continuations, incremental funding and budget amendments for previously awarded federal projects should use the rates specified in the original award document.

o **Use of On/Off-Campus Rate**

The on-campus rate should be used for proposals where all work is done using University facilities. The on-campus rate is to be assessed except when a portion of the sponsored agreement is performed at an off-campus site. The criteria for utilization of the off-campus rate consists of all of the following: (a) performance at the off-campus site must be on a continuous basis; intermittent performance is not sufficient; (b) the University personnel working or engaged on the project must be physically located at an off-campus site; and (c) the off-campus performance must be of sufficient duration; normally a full semester, summer term or period of performance of the sponsored agreement. The space on the South Campus and at 2242 W Harrison that the University leases to UIC departments is considered off-campus. The off-campus rate will be used for the off-campus portion of the work on a sponsored agreement.

Off-campus costs may include costs incurred at the off-campus site for salaries, related benefits, supplies, utility costs, rent, local travel and other similar costs, which are treated as direct. Travel to and from an off-campus site is considered an off-campus cost.

• **F&A Rates for Clinical Drug Trials**

o **Definition**

These include studies performed for private sponsors which involve human subjects in drug protocols.

o **Base for Rate Assessment**

The base for rate assessment is total direct costs. Total direct costs include all costs charged to a sponsored program account, excluding indirect costs, costs of education allowance and administrative allowances.

CHICAGO CAMPUS FACILITIES AND ADMINISTRATIVE (F&A) RATES		
FY11 PROVISIONAL FACILITIES AND ADMINISTRATIVE (F&A) RATES	ON-CAMPUS	OFF-CAMPUS
Instruction	40.4%	26.0%
Organized Research	57.0%	26.0%
Other Sponsored Activities	36.0%	26.0%
Base is Modified Total Direct Costs (MTDC) which excludes equipment costing \$500 or more, subcontract expenditures in excess of \$25,000, graduate assistant tuition remission fellowships, scholarships, traineeships, patient care charges and rental/lease of capital items		
CLINICAL DRUG TRIALS F&A RATE	25.0%	25.0%
This rate was established during FY1994 for non-federally funded clinical drug studies and is applied to Total Direct Costs (TDC).		

B. FY11 FINAL GRADUATE ASSISTANT TUITION REMISSION RATE (SPONSORED ACCOUNTS)

The Fiscal Year 2011 graduate assistant tuition remission rate will remain 42%. Salaries of graduate assistants with tuition and fee waivers are the base for the assessment of the tuition remission rate. This rate is applied to all GA/RA/TAs working on sponsored programs. Please note that the campus also assesses a "GA tuition remission benefit cost" charge on non-sponsored accounts. More information on this charge is available here: [Memo on Tuition Remission for Graduate Assistants](#).

C. FY11 PROVISIONAL FRINGE BENEFITS RATES

The amount charged to certain non state funds/accounts for employee fringe benefits is based on several employee fringe benefit factors. These employee fringe benefit factors include the classification of employee, employee hire date, employee retirement options, and the enrollment status of student employees. Fringe benefit rates are updated annually and audited and approved by the Federal government near the beginning of each fiscal year. Unlike facilities and administrative cost rates, changes in fringe benefit rates are assessed immediately when they become effective, even if the budgeted rates are different. The UIC FY11 Provisional Fringe Benefit rates included in the tables on pages 3 and 4 are effective July 1, 2010 with BW 16 and MN 8 pay periods (with the exception of Retirement, which is effective with BW 15 and MN 7). Please refer to [Substantial Presence](#) for additional fringe benefit information related to residents on J-1, J-2, F-1 and F-2 visas.

The following 2 charts detail the fringe benefit costs by appointment type. The first chart below, details fringe benefit charges to sponsored accounts. The second chart on the following page details fringe benefit charges to non-sponsored accounts. The primary differences between the 2 charts are highlighted in yellow on each chart.

**CHICAGO CAMPUS
FY11 PROVISIONAL FRINGE BENEFIT RATES
APPLICABLE TO SPONSORED ACCOUNTS**

Appointment	Total Fringe Benefits Rate	Retirement (SURS)**	Health, Life & Dental	Workers' Comp†	Term. Vacation/Sick	Medicare‡	OASDI
Academic and Non-academic Continuous* at 50% or More	33.37%	10.14%	20.64%	0.09%	1.05%	1.45%	-
Academic and Non-academic Non-continuous* at 50% or More	28.38%	-	20.64%	0.09%	-	1.45%	6.20%
Academic and Non-academic Continuous* at Less Than 50%	12.73%	10.14%	-	0.09%	1.05%	1.45%	-
Academic and Non-academic Non-continuous* at Less Than 50%	7.74%	-	-	0.09%	-	1.45%	6.20%
Hourly Student Employees Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)	0.09%	-	-	0.09%	-	-	-
Hourly Student Employees Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)	7.74%	-	-	0.09%	-	1.45%	6.20%
GA/RA/TAs Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)	2.29%	-	2.20%	0.09%	-	-	-
GA/RA/TAs Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)	9.94%	-	2.20%	0.09%	-	1.45%	6.20%
Hospital Residents	32.23%	10.14%	20.64%	-	-	1.45%	-
Extra Help Employees	7.74%	-	-	0.09%	-	1.45%	6.20%

Research Associates receive fringe benefits that are consistent with their appointment type, detailed above (i.e., Academic and Non-academic Continuous at 50% or More). Retired employees who are rehired by the University are not fringe benefit eligible and are only assessed for Medicare (1.45%) and Workers' Comp (0.09%). Fellowships are not assessed fringe benefits.

*A continuous appointment is an appointment for a period of four continuous months or one academic term, whichever is less.

** For employees who have elected the self-managed plan, the actual rate of 7.6% will be charged.

** The current annual compensation limit for SURS is \$245,000 (for participants certified on or after July 1, 1996) and \$106,800 for new employees hired as of January 1, 2011.

† For Auxiliary Services, the Worker's Compensation rate is 1.21%.

‡This chart includes a Medicare charge for employees hired after 4/1/86. There are no Medicare charges for employees hired before that date.

CHICAGO CAMPUS
FY11 PROVISIONAL FRINGE BENEFIT RATES
APPLICABLE TO OTHER ASSESSED ACCOUNTS
 (ADMINISTRATIVE ALLOWANCES, ICR, PRIVATE UNRESTRICTED GIFTS, ETC)

Appointment	Total Fringe Benefits Rate	Retirement (SURS)**	Health, Life & Dental	Workers' Comp†	Term. Vacation/Sick	Medicare‡	OASDI
Academic and Non-academic Continuous* at 50% or More	32.32%	10.14%	20.64%	0.09%	-	1.45%	-
Academic and Non-academic Non-continuous* at 50% or More	28.38%	-	20.64%	0.09%	-	1.45%	6.20%
Academic and Non-academic Continuous* at Less Than 50%	11.68%	10.14%	-	0.09%	-	1.45%	-
Academic and Non-academic Non-continuous* at Less Than 50%	7.74%	-	-	0.09%	-	1.45%	6.20%
Hourly Student Employees Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)	0.09%	-	-	0.09%	-	-	-
Hourly Student Employees Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)	7.74%	-	-	0.09%	-	1.45%	6.20%
GA/RA/TAs Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)	0.09%	-	-	0.09%	-	-	-
GA/RA/TAs Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)	7.74%	-	-	0.09%	-	1.45%	6.20%
Hospital Residents	32.23%	10.14%	20.64%	-	-	1.45%	-
Extra Help Employees	7.74%	-	-	0.09%	-	1.45%	6.20%

Research Associates receive fringe benefits that are consistent with their appointment type, detailed above (i.e., Academic and Non-academic Continuous at 50% or More). Retired employees who are rehired by the University are not fringe benefit eligible and are only assessed for Medicare (1.45%) and Workers' Comp (0.09%). Fellowships are not assessed fringe benefits.

*A continuous appointment is an appointment for a period of four continuous months or one academic term, whichever is less.

** For employees who have elected the self-managed plan, the actual rate of 7.6% will be charged.

** The current annual compensation limit for SURS is \$245,000 (for participants certified on or after July 1, 1996) and \$106,800 for new employees hired as of January 1, 2011.

† For Auxiliary Services, the Worker's Compensation rate is 1.21%.

‡This chart includes a Medicare charge for employees hired after 4/1/86. There are no Medicare charges for employees hired before that date.

D. FY12 – FY14 PROJECTED FRINGE BENEFITS RATES

We are publishing projected fringe benefit rates for faculty to use in their grant proposals. While the projected rates may not precisely equal the actual rates in a given year, it will certainly result in far less reallocation than if the proposal reflected a constant fringe benefit rate for the entire grant period. The projected FY12 – FY14 fringe benefit rates in the chart below are for academic employees, non-academic employees, hourly student employees, and graduate assistants.

CHICAGO CAMPUS PROJECTED FRINGE BENEFITS RATES FY12 - FY14 APPLICABLE TO <u>SPONSORED ACCOUNTS</u>			
Appointment	Fiscal Year 2012	Fiscal Year 2013	Fiscal Year 2014
Academic and Non-academic Continuous at 50% or More	34.70%	34.94%	35.49%
Academic and Non-academic Non-continuous at 50% or More	29.60%	29.76%	30.21%
Academic and Non-academic Continuous at Less Than 50%	12.85%	12.95%	13.07%
Academic and Non-academic Non-continuous at Less Than 50%	7.75%	7.77%	7.79%
Hourly Student Employees Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)	0.10%	0.12%	0.14%
Hourly Student Employees Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)	7.75%	7.77%	7.79%
GA/RA/TAs Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)	2.29%	2.35%	2.36%
GA/RA/TAs Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)	9.94%	10.00%	10.01%

For proposals that require fringe benefit projections beyond FY14, it is recommended that departments prepare their budgets using the applicable FY14 fringe benefit rates for FY15 and FY16.

E. CONTACTS

Please direct any questions or concerns to:

CHICAGO CAMPUS CONTACTS			
Contact	Person	Telephone	E-mail
Accounting Issues	Nick Unser Bus & Financial Spec, UAFR	217-244-6676	nicku@uillinois.edu
F&A and Fringe Benefit Rates	Michael Moss Assistant Director, Costing & Analysis	996-0306	mmoss2@uillinois.edu
General Budgets	Russ Biskup Director of Budget & Financial Analysis	996-4951	rjbiskup@uillinois.edu
Grants and Contracts	Vanessa Peoples Executive Director of Grants and Contracts	996-5958	vpeoples@uillinois.edu
SURS/Social Security/ Retirement/Disability	Benefits Center	996-6471	benefits-uic@uillinois.edu