

**UNIVERSITY OF ILLINOIS AT CHICAGO
OFFICE OF BUSINESS & FINANCIAL SERVICES
FY08 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 non-state 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) finalized F&A rates for FY08-FY10, the finalized tuition remission and fringe benefit rates for FY08, and the projected fringe benefit rates for FY09-FY11.

A. FY08-FY10 FACILITIES AND ADMINISTRATIVE (F&A) RATES

The FY08-FY10 F&A rates have been finalized and approved by our cognizant Federal Agency, the Office of Naval Research (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 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		
FY08-FY10 FACILITIES AND ADMINISTRATIVE (F&A) RATES	ON-CAMPUS	OFF-CAMPUS
Instruction	40.4%	26.0%
Organized Research	57.0%	26.0%
Other Sponsored Activities	37.1%	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. FY08 GRADUATE ASSISTANT TUITION REMISSION RATE

Effective with the beginning of the Fall 2007 semester (August 27, 2007), the Fiscal Year 2008 tuition remission rate will increase from 37% to 42%. Salaries of graduate assistants with tuition and fee waivers are the base for the assessment of the tuition remission rate.

C. FY08 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 FY08 Fringe Benefit rates included in the table on page 3 are now finalized and were effective July, 2007 (BW 15 and MN 8 pay periods).

**CHICAGO CAMPUS
FY08 FINALIZED FRINGE BENEFIT RATES**

Appointment	Total Benefits Rate (Final)	Retirement^{1*} (Final)	Health, Life & Dental Insurance^{2*} (Final)	Workers Compensation^{3*} (Final)	Termination, Sick & Vacation Leave (Final)	Medicare for Employees hired after 4/1/86 (Final)	OASDI (Final)
Academic or non-academic and continuous at 50% or more ^{4*}	34.18%	10.75%	20.60%	0.02%	1.36%	1.45%	
Academic or non-academic and non-continuous at 50% or more ^{4*}	28.27%		20.60%	0.02%		1.45%	6.20%
Academic or non-academic and continuous at less than 50% ^{4*}	13.58%	10.75%		0.02%	1.36%	1.45%	
Academic or non-academic and non-continuous at less than 50% ^{4*}	7.67%			0.02%		1.45%	6.20%
Graduate assistants (Grant Funds Only) ^{2*}	2.32%		2.30%	0.02%			
Students registered for six or more hours in the fall or spring (3 or more hours in the summer)	0.02%			0.02%			
Students registered for less than six hours in the fall or spring (less than 3 hours in the summer)	7.67%			0.02%		1.45%	6.20%
Hospital Residents	32.80%	10.75%	20.60%			1.45%	
Extra Help Employees	7.67%			0.02%		1.45%	6.20%

This chart includes a Medicare charge for employees hired after 4/1/86. There are no Medicare charges for employees hired before that date.
 1* For employees who have elected the self-managed plan, the actual rate of 7.6% will be charged.
 2* The graduate assistant health, dental & vision benefit rate resulting from the GEO contract will be charged to grant funds effective FY08.
 3* For Auxiliary Services, the Worker's Compensation rate is 0.65%.
 4* A continuous appointment is an appointment for a period of four continuous months or one academic term, whichever is less.

D. FY09-FY11 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 FY09-FY11 fringe benefit rates for academic employees including graduate assistants and non-academic employees are presented in a chart on the following page:

**CHICAGO CAMPUS
PROJECTED FRINGE BENEFITS RATES FY09-FY11**

Appointment	Fiscal Year 2009	Fiscal Year 2010	Fiscal Year 2011
If the appointment is academic or non-academic and continuous at 50% or more	33.60%	36.10%	37.34%
If the appointment is academic or non-academic and non-continuous at 50% or more	27.72%	30.70%	31.85%
If the appointment is academic or non-academic and continuous at less than 50%	13.56%	13.08%	13.17%
If the appointment is academic or non-academic and non-continuous at less than 50%	7.68%	7.68%	7.68%

Graduate assistants	2.36%	2.38%	2.41%
Students registered for six or more hours in the fall or spring (3 or more hours in the summer)	0.02%	0.02%	0.02%
Students registered for less than six hours in the fall or spring (less than 3 hours in the summer)	7.68%	7.68%	7.68%

E. CONTACTS

Please direct any questions or concerns to:

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