

**UNIVERSITY OF ILLINOIS AT CHICAGO**  
**OFFICE OF BUSINESS & FINANCIAL SERVICES**  
**FY09 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) finalized F&A rates for FY08-FY10; the finalized tuition remission and fringe benefit rates for FY09; the projected fringe benefit rates for FY10-FY12; and instructions for budgeting fringe benefits beyond FY12.

**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 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.

<b>CHICAGO CAMPUS FACILITIES AND ADMINISTRATIVE (F&amp;A) RATES</b>		
<b>FY08-FY10 FACILITIES AND ADMINISTRATIVE (F&amp;A) RATES</b>	<b>ON-CAMPUS</b>	<b>OFF-CAMPUS</b>
Instruction	<b>40.4%</b>	<b>26.0%</b>
Organized Research	<b>57.0%</b>	<b>26.0%</b>
Other Sponsored Activities	<b>37.1%</b>	<b>26.0%</b>
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		
<b>CLINICAL DRUG TRIALS F&amp;A RATE</b>	<b>25.0%</b>	<b>25.0%</b>
This rate was established during FY1994 for non-federally funded clinical drug studies and is applied to Total Direct Costs (TDC).		

**B. FY09 GRADUATE ASSISTANT TUITION REMISSION RATE (SPONSORED ACCOUNTS)**

The Fiscal Year 2009 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. FY09 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 FY09 Provisional Fringe Benefit rates included in the table on page 3 are effective July 1, 2008 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  
FY09 PROVISIONAL FRINGE BENEFIT RATES  
APPLICABLE TO SPONSORED PROJECTS**

<b>Appointment</b>	<b>Total Fringe Benefits Rate</b>	<b>Retirement (SURS)**</b>	<b>Health, Life &amp; Dental</b>	<b>Workers' Comp†</b>	<b>Term. Vacation/Sick</b>	<b>Medicare‡</b>	<b>OASDI</b>
Academic and Non-academic Continuous* at 50% or More	30.55%	9.94%	18.32%	0.05%	0.79%	1.45%	-
Academic and Non-academic Non-continuous* at 50% or More	26.02%	-	18.32%	0.05%	-	1.45%	6.20%
Academic and Non-academic Continuous* at Less Than 50%	12.23%	9.94%	-	0.05%	0.79%	1.45%	-
Academic and Non-academic Non-continuous* at Less Than 50%	7.70%	-	-	0.05%	-	1.45%	6.20%
Hourly Student Employees Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)	0.05%	-	-	0.05%	-	-	-
Hourly Student Employees Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)	7.70%	-	-	0.05%	-	1.45%	6.20%
GA/RA/TAs Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)	2.37%	-	2.32%	0.05%	-	-	-
GA/RA/TAs Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)	10.02%	-	2.32%	0.05%	-	1.45%	6.20%
Hospital Residents	29.71%	9.94%	18.32%	-	-	1.45%	-
Extra Help Employees	7.70%	-	-	0.05%	-	1.45%	6.20%
Research Associates receive fringe benefits that are consistent with their appointment type, detailed above (EG, Academic and Non-academic Continuous at 50% or More). 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.

† For Auxiliary Services, the Worker's Compensation rate is 0.79%.

‡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**  
**FY09 PROVISIONAL FRINGE BENEFIT RATES**  
**APPLICABLE TO OTHER ASSESSED ACCOUNTS**  
(ADMINISTRATIVE ALLOWANCES, ICR, PRIVATE UNRESTRICTED GIFTS, ETC)

<b>Appointment</b>	<b>Total Fringe Benefits Rate</b>	<b>Retirement (SURS)**</b>	<b>Health, Life &amp; Dental</b>	<b>Workers' Comp†</b>	<b>Term. Vacation/Sick</b>	<b>Medicare‡</b>	<b>OASDI</b>
Academic and Non-academic Continuous* at 50% or More	29.76%	9.94%	18.32%	0.05%	-	1.45%	-
Academic and Non-academic Non-continuous* at 50% or More	26.02%	-	18.32%	0.05%	-	1.45%	6.20%
Academic and Non-academic Continuous* at Less Than 50%	11.44%	9.94%	-	0.05%	-	1.45%	-
Academic and Non-academic Non-continuous* at Less Than 50%	7.70%	-	-	0.05%	-	1.45%	6.20%
Hourly Student Employees Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)	0.05%	-	-	0.05%	-	-	-
Hourly Student Employees Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)	7.70%	-	-	0.05%	-	1.45%	6.20%
GA/RA/TAs Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)	0.05%	-	-	0.05%	-	-	-
GA/RA/TAs Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)	7.70%	-	-	0.05%	-	1.45%	6.20%
Hospital Residents	29.71%	9.94%	18.32%	-	-	1.45%	-
Extra Help Employees	7.70%	-	-	0.05%	-	1.45%	6.20%

Research Associates receive fringe benefits that are consistent with their appointment type, detailed above (EG, Academic and Non-academic Continuous at 50% or More). 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.

† For Auxiliary Services, the Worker's Compensation rate is 0.79%.

‡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. FY10-FY12 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 FY10-FY12 fringe benefit rates for academic employees including graduate assistants and non-academic employees are presented in a chart on the following page:

<b>CHICAGO CAMPUS PROJECTED FRINGE BENEFITS RATES FY10 - FY12</b>			
<b>Appointment</b>	<b>Fiscal Year 2010</b>	<b>Fiscal Year 2011</b>	<b>Fiscal Year 2012</b>
Academic and Non-academic Continuous* at 50% or More	31.10%	34.66%	35.96%
Academic and Non-academic Non-continuous* at 50% or More	26.26%	29.49%	30.63%
Academic and Non-academic Continuous* at Less Than 50%	12.55%	12.88%	13.05%
Academic and Non-academic Non-continuous* at Less Than 50%	7.71%	7.72%	7.73%
Hourly Student Employees Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)	0.06%	0.07%	0.08%
Hourly Student Employees Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)	7.71%	7.72%	7.73%
GA/RA/TAs Enrolled 6 hours or More (Fall / Spring) Or Enrolled 3 hours or More (Summer)	2.44%	2.50%	2.57%
GA/RA/TAs Enrolled Less Than 6 hours (Fall / Spring) Or Enrolled Less Than 3 hours (Summer)	10.09%	10.15%	10.22%
Research Associates receive fringe benefits that are consistent with their appointment type, detailed above. Fellowships are not assessed fringe benefits.			

**NOTE:** For proposals that require fringe benefit projections beyond FY12, it is recommended that departments prepare their budgets using the applicable FY12 fringe benefit rates for FY13 and FY14.

#### E. CONTACTS

Please direct any questions or concerns to:

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