

University of Illinois at Urbana-Champaign
 FY12 Provisional Facilities/Administrative (F&A) and Tuition Remission Rates

FACILITIES AND ADMINISTRATION (F&A) RATES	On-Campus	Off-Campus
Instruction	45.5	24.0
Organized Research	58.5	24.0
Other Sponsored Activities	25.3	18.7

Base is Modified Total Direct Costs (MTDC) which excludes equipment costing \$5000 or more, subcontract expenditures in excess of \$25,000, graduate assistant tuition remission, fellowships, scholarships, traineeships, and rental/lease of capital items.

GRADUATE ASSISTANT TUITION REMISSION RATES	On-Campus	Off-Campus
Instruction	60.0	60.0
Organized Research	60.0	60.0
Other Sponsored Activities	60.0	60.0

Base for Tuition Remission is salaries of graduate assistants with waivers.

The FY13 projected Graduate Assistant Tuition Rate will be 64%.

Rate Application Guidelines

I FACILITIES AND ADMINISTRATIVE COST RATES

Facilities and Administrative (F&A) Cost Rates are established by negotiation with the Federal Government. The current University of Illinois at Urbana-Champaign Facilities and Administrative Rates negotiated with the Federal Government end June 30, 2011. Proposed rates for the period FY2012-2015 were submitted and are currently under review. This has necessitated a provisional rate until such time that a final audited rate is negotiated. New provisional rates will become effective in FY2012 in accordance with the ["Implementation Chart"](#) provided further below in this document.

There are separate rates for Instruction, Organized Research, and Other Sponsored Activities, and for each of these, there are rates for on-campus and off-campus projects (see section on On/Off-Campus Rate Application, below).

A MTDC Base

The Modified Total Direct Cost base against which the facilities and administrative cost rate is assessed ***includes:***

- salaries and wages
- fringe benefits
- materials and supplies
- travel
- services
- the first \$25,000 of those subawards (subgrants or subcontracts) where a portion of the scope of work is subcontracted to a party external to the University (account codes 156000-156149). Note: A subaward for an amount greater than \$25,000 would be assessed F&A on the first \$25,000 only over the lifetime of the award.

For assessment and budgeting purposes, MTDC ***excludes*** the following direct costs:

- Subaward expenditures in excess of \$25,000 in 156000-156149 as well as all expenditures coded 156150-156200.
- Graduate Assistant Tuition Remission coded 198140 and 198150
- Fellowships, Scholarships, and Traineeships (allowable only on sponsored training agreements) coded 181XXX.
- Rentals and Leases. The cost of renting or leasing any property or equipment is to be budgeted in proposals and charged to account codes as follows:
143XXX--Equipment Rentals
157XXX and 158XXX--Operating Leases
169XXX--Capital Leases
- Equipment (including lease purchased and fabricated equipment) costing \$5,000 or more.
- Any other expenditure recorded in an expense account code 163XXX-199999.

B Rates to Be Used in Proposals

For existing sponsored projects using pre FY2012 rates, F&A will continue to be charged at the awarded rate throughout the life of the current funding segment. "Life" for the purpose of this discussion means each competitive segment of a project. A competitive segment is a period of years approved by the Federal funding agency at the time of the award, recognizing that the years subsequent to the first year are subject to satisfactory performance and availability of funds.

1. Projects Funded by U. S. Government, Commercial, and Private Sponsors

The applicable rates to be used in proposals are shown on the F&A Rate [Implementation Charts](#) below. Using any other rates requires approval as described under *Waiver of Facilities and Administrative and/or Tuition Remission Cost* below.

2. State of Illinois Sponsored Projects

Principal Investigators and/or units are responsible for ascertaining the source of funding for State programs prior to submitting proposals to State of Illinois agencies or entities.

- For projects supported entirely with State of Illinois funds (agencies of the State and Illinois Local Governmental units), the rate is 10% of Total Direct Costs (TDC) unless the sponsor specifies higher rates, in which case the higher rate will be utilized. *No assessment for Tuition Remission.*
- For projects supported with combined State and Federal funds, the rate is 20% of Total Direct Costs. *No assessment for Tuition Remission unless program specifically supports tuition costs.*
- For projects administered by State agencies supported totally with Federal funds, use the full negotiated rates above, and include any graduate assistant tuition remission as a direct cost.

C Application of On-Campus, Off-Campus Facilities and Administrative Cost Rates

Application of the appropriate On-Campus or Off-Campus facilities and administrative cost rate is determined at the beginning of each Sponsored Agreement and must be equitably adjusted if the circumstances that determine the application change materially during the period of performance.

The On-Campus rate is assessed except when a portion of the work is performed at an off-campus site. In such cases, certain costs normally considered facilities and administrative, such as rent and utility costs may be charged as a direct cost to the particular sponsored agreement. The criterion for utilization of the Off-Campus rate consists of the following:

- 1) Performance at the off-campus location must be on a continuous basis, normally a full semester, summer term, or the period of performance of the sponsored agreement; intermittent performance is not sufficient; and
- 2) The University personnel working or engaged on the project must be physically located at an off-campus site.

Off-campus costs may include costs incurred at the off-campus site for salaries (including administrative salaries when administrative support cannot otherwise be reasonably provided), related fringe benefits, supplies, utility costs, rent, local travel, and other similar costs that are treated as direct. Travel to and from an off-campus site is considered an off-campus cost. If a project has different components that are conducted on and off-campus, separate fund codes are established such that the on-campus rate is applied to the work on campus, and the off-campus rate to that component which is conducted off-campus.

D Waivers of Facilities & Administrative Costs

Proposals are to use the approved rates above **except** when:

- The sponsor is a governmental agency or not-for-profit entity that formally limits the amount it provides for facilities and administrative cost reimbursement (provide sponsor policy when the proposal is submitted to the Office of Sponsored Programs & Research Administration); or
- The sponsor does not have an explicit policy limiting F&A, but the unit has obtained the approval of the Vice Chancellor for Research, representing the committee stipulated in Section 6.f. of The General Rules Concerning University Organization and Procedure, for a full or partial waiver of facilities and administrative costs. To seek such approval, direct the request to Melanie Loots, Associate Vice Chancellor for Research, and submit this approval with the proposal to the Office of Sponsored Programs and Research Administration.
- The Campus has elected not to charge tuition remission on projects with reduced F&A rates. However, the originating unit has the option of requesting the tuition remission when the sponsor does not expressly prohibit this cost. (*Tuition remission should not be charged to State of Illinois projects that use the 10% or 20% Total Direct Cost Rate unless the program specifically supports tuition costs.*) Tuition will not be waived on projects with full F&A rates.

II FY12 TUITION REMISSION RATES

The Tuition Remission Rate of 60% is established by provisional approval of the Federal Government. Graduate assistant tuition remission is a direct cost that is excluded from F&A assessment. The way this cost is represented on proposal budgets varies according to sponsor budget formats.

Where possible, tuition should be shown as an identified line item called "tuition remission", or otherwise included as an item under "other direct costs." In either case, F&A is not assessed on this amount, and tuition is not to be included in fringe benefits.

Where allowed by the Sponsor that provides full, negotiated F&A rates, tuition remission should always be included in proposal budgets unless it is known with certainty that the graduate assistant(s) who would be hired for the project would not be eligible for an assistantship tuition waiver.

When a sponsor provides reduced or no F&A, the sponsor's policies or the Request for Proposal should be reviewed to determine if tuition remission is unallowable. If tuition remission is not specifically disallowed, the initiator of the proposal may request tuition remission, but is not required to do so. When requested, it should be budgeted as described above. **The Campus has elected not to charge tuition remission on State of Illinois projects with reduced F&A rates. USDA NIFA (formerly CSREES) projects specifically preclude tuition remission as an allowable cost, but other USDA programs may allow tuition remission. Check the guidelines to determine allowability.**

III FRINGE BENEFIT RATES

The fringe benefit rates are updated annually and approved by the Federal government near the beginning of each fiscal year. **The Provisional FY12 fringe benefit rates will be provided as available in the upcoming weeks.** 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. Fringe benefit rate changes for FY12 will be effective July 2011 (BW16 and MN8 pay periods). These rates are finalized after federal audit and negotiations with any changes communicated at that time.

In January, the SURS system announced the retirement rate of 12.71% to be effective July 1, 2011. The rate for employees who have elected the self-managed plan should be used as appropriate.

QUESTIONS

Please address any questions on rate applications in proposals to Penny Weaver, Assistant Director/OSPRA Proposal Division in the Office of Sponsored Programs and Research Administration at 265-7679, pkweaver@uillinois.edu. Questions related to rate applications to project financial funds should be directed to Sandra S. Moulton, Director, Grants and Contracts Post-Award Administration at 244-4750, smoulton@uillinois.edu.

Implementation Chart for Organized Research Rates

Current grants and contracts will operate according to the provisions under which they were negotiated and awarded. The following chart applies to projects not already negotiated and awarded at the time of this notification and that involve new or competitive renewals for projects of FY2012 or later.

Action	Due Date of proposal (sponsor submission deadline)	F&A rate to be used for Organized Research	Tuition rate to be used
New project with begin date of July 1 or after	Prior to July 1	FY2011 rate of 58.5% to be used as FY12 provisional rate.	As reflected in budget upon which award was made (56% or 60%).
	July 1 or after	Must use provisional rate of 58.5%.	60%
Competing Renewal with begin date of July 1 or after	Treated the same as shown for new projects above.		
NIH Proposals	Prior to July 1	Proposals reflect direct costs and campus will be awarded at effective F&A rates for the project period. (No impact to direct costs as proposed.)	As reflected in budget upon which award was made (56% or 60%).
	July 1 or after		60%
Supplemental awards effective July 1 or after when the original award began prior to July 1	The campus will honor the rate of the original award. This does not apply to competitive renewal segments (see above).		
Proposal Budget Revisions for awards to be effective July 1 or after	If proposed at 58.5%, but needs revision for some other reason, OSPRA will initiate revision only at direction of unit or sponsor.		

Implementation Chart for Other Sponsored Activities Rates

Current grants and contracts will operate according to the provisions under which they were negotiated and awarded. The following chart applies to projects not already negotiated and awarded at the time of this notification and that involve new or competitive renewals for projects of FY2012 or later.

Action	Due Date of proposal (sponsor submission deadline)	F&A rate to be used for Other Sponsored Activities	Tuition rate to be used
New project with begin date of July 1 or after	Prior to July 1	FY2011 rate of 25.3% to be used as FY12 provisional rate.	As reflected in budget upon which award was made (56% or 60%).
	July 1 or after	Must use provisional rate of 25.3%.	60%
Competing Renewal with begin date of July 1 or after	Treated the same as shown for new projects above.		
NIH Proposals	Prior to July 1	Proposals reflect direct costs and campus will be awarded at effective F&A rates for the project period. (No impact to direct costs as proposed.)	As reflected in budget upon which award was made (56% or 60%).
	July 1 or after		60%
Supplemental awards effective July 1 or after when the original award began prior to July 1	The campus will honor the rate of the original award. This does not apply to competitive renewal segments (see above).		
Proposal Budget Revisions for awards to be effective July 1 or after	If proposed at 25.3%, but needs revision for some other reason, OSPRA will initiate revision only at direction of unit or sponsor.		

Implementation Chart for Instruction Rates

Current grants and contracts with begin dates prior to July 1, 2011 will operate according to the provisions under which they were negotiated and awarded. The following chart applies to new or competitive renewals for projects of FY2012 or later.

Action	Due Date of proposal (sponsor submission deadline)	F&A rate to be used for Instruction	Tuition rate to be used
New project with begin date of July 1 or after	Prior to July 1	Proposals should use the FY2012 provisional rate of 45.5%. Awards must be made at FY2012 lower rates, and budget revisions will be made for those proposed at FY2011 higher rates.	As reflected in budget upon which award was made (56% or 60%).
	July 1 or after	Must use FY12 provisional rate of 45.5%	60%
Competing Renewal with begin date of July 1 or after	Treated the same as shown for new projects above.		
NIH Proposals	Prior to July 1	Proposals reflect direct costs and campus will be awarded at effective F&A rates for the project period. (No impact to direct costs as proposed.)	As reflected in budget upon which award was made (56% or 60%).
	July 1 or after		60%
Supplemental awards effective July 1 or after when the original award began prior to July 1	The campus will use the rate of the original award. This does not apply to competitive renewal segments (see above).		
Proposal Budget Revisions for awards to be effective July 1 or after	If proposed at 45.5%, but needs revision for some other reason, OSPRA will initiate revision only at direction of unit or sponsor. If proposed at 48.2%, budget will need to be revised using the FY12 provisional rate of 45.5%.		