University of Illinois at Urbana-Champaign
FY09 Final Facilities/Administrative (F&A), Tuition Remission
and Fringe Benefit Rates (Percentages)

### FACILITIES AND ADMINISTRATION (F&A) RATES

<table>
<thead>
<tr>
<th></th>
<th>On-Campus</th>
<th>Off-Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>48.2</td>
<td>24.0</td>
</tr>
<tr>
<td>Organized Research</td>
<td>58.5</td>
<td>24.0</td>
</tr>
<tr>
<td>Other Sponsored Activities</td>
<td>25.3</td>
<td>18.7</td>
</tr>
</tbody>
</table>

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

<table>
<thead>
<tr>
<th></th>
<th>On-Campus</th>
<th>Off-Campus</th>
</tr>
</thead>
<tbody>
<tr>
<td>Instruction</td>
<td>56.0</td>
<td>56.0</td>
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<tr>
<td>Organized Research</td>
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<tr>
<td>Other Sponsored Activities</td>
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<td>56.0</td>
</tr>
</tbody>
</table>

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

### FRINGE BENEFIT RATES

<table>
<thead>
<tr>
<th>Employee Group</th>
<th>Total Benefit Rate</th>
<th>Retirement</th>
<th>Health, Life, Dental</th>
<th>Workers’ Compensation</th>
<th>Termination</th>
<th>Medicare</th>
<th>OASDI</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees Covered By The State University Retirement System (SURS) Hired AFTER 4/1/86</td>
<td>33.06</td>
<td>9.94</td>
<td>20.34</td>
<td>0.10</td>
<td>1.23</td>
<td>1.45</td>
<td></td>
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<tr>
<td>Employees Covered By The State University Retirement System (SURS) Hired BEFORE 4/1/86</td>
<td>31.61</td>
<td>9.94</td>
<td>20.34</td>
<td>0.10</td>
<td>1.23</td>
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<tr>
<td>Non-student Employees NOT covered by SURS</td>
<td>8.98</td>
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<tr>
<td>Graduate Assistants³</td>
<td>6.10</td>
<td>6.00</td>
<td>0.10</td>
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<tr>
<td>Students Enrolled &gt; Half Time⁴</td>
<td>0.10</td>
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<td>Students Enrolled &lt; Half Time⁴</td>
<td>7.75</td>
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</table>

### Rate Application Guidelines

1. For employees who have elected the self-managed plan the actual rate of 7.6% will be charged.
2. Agency for International Development Overseas Workers’ Compensation rate is 1.58%.
3. For graduate assistants with waivers, the HLD rate was phased in as a percentage of salaries: FY05 was 2%, FY06 was 4%, and FY07 began full rate recovery.
4. IRS regulations require FICA (OASDI plus Medicare) withholding on assistantship salaries when student is registered for fewer than six credit hours during Fall and Spring semesters, and fewer than three hours in the summer, except if registering for this many credits would result in taking more credits than required for the degree.
I FACILITIES AND ADMINISTRATIVE COST RATES

Facilities and Administrative (F&A) Cost Rates are established by negotiation with the Federal Government and a predetermined rate agreement is in place covering the period July 1, 2007 through June 30, 2011. Within that rate period, the on-campus Organized Research rate is different for FY2008 only.

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). These rates are shown on the preceding page.

A FY09 MTDC Base (effective with projects using FY08 rates)

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
- expensed/minor equipment (items costing $500-$4,999, account codes 127XXX and 161XXX)
- 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.

Effective with the application of FY2008 rates, the campus will no longer waive the F&A on “expensed equipment”. Expensed/minor equipment includes items costing $500-$4,999 (account codes 127XXX and 161XXX). For existing sponsored projects using pre FY2008 rates, F&A will continue to be waived on expensed equipment 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.

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B Rates to Be Used in Proposals

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 chart preceding these guidelines. 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 Grants and Contracts Office); 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 TUTION REMISSION RATES

The Tuition Remission Rate of 56% 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 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. 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. FY09 Fringe benefit rate changes became effective with July 2008 pay periods (BW16 and MN8 pay periods). These rates are finalized after federal audit and negotiations with any changes communicated at that time.

QUESTIONS
Please address any questions on rate applications in proposals to the Office of Sponsored Programs and Research Administration at 333-2187, GCOAward@uillinois.edu. Questions related to rate applications to project financial funds should be directed to Grants and Contracts Post-Award Administration at 333-2186, obfgcopostawarduiuc@uillinois.edu.