

University of Illinois at Urbana-Champaign
FY16 Provisional Facilities/Administrative (F&A), Tuition Remission, and
Fringe Benefit Rates

FACILITIES AND ADMINISTRATION (F&A) RATES	On-Campus	Off-Campus
Instruction	45.4	24.0
Organized Research	58.6	24.0
Other Sponsored Activities	25.4	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	64.0	64.0
Organized Research	64.0	64.0
Other Sponsored Activities	64.0	64.0

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

FRINGE BENEFIT RATES							
Employee Group	Total Benefit Rate	Retirement ¹	Health, Life, Dental	Workers' Compensation ²	Termination	Medicare	OASDI
Employees Covered By The State University Retirement System (SURS) Hired AFTER 4/1/86	44.77	12.69	29.93	0.14	0.56	1.45	
Employees Covered By The State University Retirement System (SURS) Hired BEFORE 4/1/86	43.32	12.69	29.93	0.14	0.56		
Non-student Employees NOT covered by SURS	7.79			0.14		1.45	6.20
Graduate Assistants	6.19		6.05	0.14			
Students Enrolled > Half Time ³	0.14			0.14			
Students Enrolled < Half Time ³	7.79			0.14		1.45	6.20

¹ For employees who have elected the self-managed plan the actual rate of 7.6% will be charged.

² If you have federal contracts where employees will be performing duties outside the US you may be subject to required insurance coverage under the Defense Base Act. Please contact Post Award who coordinates any required coverage. Also refer to Federal Acquisition Regulation (FAR 48 CFR 28.309) for Defense Base Act insurance. The rate in effect until 9/1/2015 is 2.0%

³ 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.

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 ended June 30, 2015. Proposed rates for the period FY2016-2019 were submitted and are currently under review. This has necessitated provisional rates until such time that final audited rates are negotiated.

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.
- Participant Support Costs (Stipends, subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.)

B Rates to Be Used in Proposals

F&A rates 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 FY2016 F&A rates should be used in all new and renewal proposals. 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

The F&A rate for State of Illinois agencies will depend on the source of funds. Principal Investigators and/or the submitting units are responsible for determining the source of funding 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 should be used. For this calculation, Total Direct Costs are defined as the total direct costs of the sponsored project, including salaries, fringe benefits, equipment, and subawards but excluding Tuition Remission. Tuition remission is not charged to these projects.
- For projects supported with combined state and federal funds, the rate is 20% of Total Direct Costs. Tuition remission is not charged to these projects.
- For projects administered by state agencies supported entirely by federal funds, the applicable federally negotiated rate should be used with tuition remission being requested 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.

If a project involves work at on-campus and off-campus project sites, a single F&A rate should generally be applied consistent with where the majority of the work is to be performed. The criteria for use of the off-campus rate to be applied to costs related to an off-campus project site is as follows:

- a) Performance at the off-campus project site must be on a continuous basis and of sufficient duration, normally a full semester, summer term, or the period of performance of the sponsored agreement; intermittent performance is not sufficient;
- b) The University personnel working or engaged on the project must be physically located at an off-campus project site;
- c) Travel to and from an off-campus project site is considered an off-campus cost; travel to and from an on-campus project site to other locations, such as meetings with federal sponsors, is not considered an off-campus cost;
- d) Subaward costs are not a determinant in determining an off-campus cost;

e) Costs incurred at the off-campus project site may include 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 costs.

If a project is required by the sponsor to separate the components that are conducted on-campus and off-campus, separate fund codes must be established such that the on-campus rate is applied to the work on-campus, and the off-campus rate to the work which is conducted off-campus.

Facilities & Administrative Cost Exceptions

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

- **Statutory Limitation.** Certain federal grant programs such as federal training and fellowship grants may be limited by law as to the amount of F&A charged.
- **Published Sponsor Policy.** Some sponsors like non-profits and foundations will limit the rate they are willing to pay. The University reserves the right to review any published F&A limitation to ensure the limited rate is consistent with our institutional practices for that class of sponsor.
- **Institutional Practice.** The institution has established precedence through institutional practice for accepting a lower rate of F&A for some sponsors.
- When a reduced F&A rate is approved, the graduate assistant tuition remission rate is normally waived. However, the originating unit has the option of requesting the tuition remission if the sponsor does not expressly prohibit this cost. The exception being that tuition remission is not charged to State of Illinois projects that use the 10% or 20% Total Direct Cost Rate.

II FY16 TUITION REMISSION RATES

The Tuition Remission Rate of 64% has been established by provisional approval by the Federal Government and is currently under review. 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. Some 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 submitted to the Federal government near the beginning of year 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. Fringe benefit rate changes for FY16 were effective July 2015 (BW15 and MN8 pay periods). These rates are finalized after federal audit and negotiations with any changes communicated at that time.

QUESTIONS

Questions related to rate applications in proposals should be directed to Kathy T. Dams, Assistant Director/OSP Proposal Division in the Office of Sponsored Programs at 333-2187, OSP@uillinois.edu.

Questions related to rate applications to project financial funds should be directed to Sandra S. Moulton, Senior Director, Grants and Contracts Post-Award Administration at 333-2186, gcpostuiuc@uillinois.edu.

Questions related to F&A rates, fringe benefit rates, tuition remission rates, or costing issues should be directed to Shelly Benson, Director, Office of Government Costing at 333-4882, slbenson@uillinois.edu.