

**UNIVERSITY OF ILLINOIS AT CHICAGO
OFFICE OF BUSINESS & FINANCIAL SERVICES
FY07 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 (UIC) provisional F & A, fringe benefit and tuition remission rates for FY07 and projected fringe benefit rates for future years (FY08-FY10).

A. FACILITIES AND ADMINISTRATIVE (F&A) RATES

Fiscal Year 2007-2009 F&A rates have not been finalized and approved by our cognizant Federal Agency, the Office of Naval Research (ONR). A provisional rate agreement covering the period July 1, 2006 through June 30, 2007 has been negotiated with ONR. The provisional rates listed on page 4 include separate categories for Instruction, Organized Research, and Other Sponsored Activities and for on-campus and off-campus projects. We will update you when final rates have been established. We expect to complete these negotiations by late Fall.

• **F & A Rates for Instruction, Organized Research and Other Sponsored Activities**

○ **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.

○ **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.

- **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.

- **Use of on-/off-campus rate**

The on-campus rate should be used for proposals where all work is done using University facilities. The off-campus rate should be used for periods when it is necessary that University personnel are physically located at an off-campus site for a substantial period (normally 30 days or more) while engaged in the sponsored program. If a sponsored program is being simultaneously conducted both on- and off-campus, the University should budget and charge each portion separately. Note that efforts undertaken by subcontractors are not a factor in the determination of whether an on- or off-campus rate should be used.

- **F & A Rates for Clinical Drug Trials**

- **Definition:**

These include studies performed for private sponsors which involve human subjects in drug protocols.

- **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. GRADUATE ASSISTANT TUITION REMISSION RATES

The Fiscal Year 2007 provisional rate for Tuition Remission of 37% has been negotiated with ONR. We will update you when the final rate has been established. We expect to complete this negotiation by late Fall.

Salaries of graduate assistants with tuition and fee waivers are the base for the assessment of the tuition remission rate.

C. FRINGE BENEFITS RATES FOR FY'07-PROVISIONAL

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 FY'07 Fringe Benefit rates included in the table on page 4 were effective July 2006 (BW 15 and MN 8 pay periods). The retirement, worker's compensation, Medicare and OASDI rates are final.

The health, life & dental insurance and termination sick/vacation leave rates will be finalized after the Federal audit is completed. We will update you if there are any changes.

D. PROJECTED FRINGE BENEFITS RATES FY'08-FY'10

We are publishing projected three year 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 FY'08-FY'10 fringe benefit rates for academic and non-academic employees are as follows:

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
If the appointment is academic or non-academic and continuous at 50% or more	33.57%	35.90%	37.40%
If the appointment is academic or non-academic and non-continuous at 50% or more	27.48%	29.81%	31.31%
If the appointment is academic or non-academic and continuous at less than 50%	13.77%	13.77%	13.77%
If the appointment is academic or non-academic and non-continuous at less than 50%	07.68%	07.68%	07.68%

	Fiscal Year 2008	Fiscal Year 2009	Fiscal Year 2010
If the student has an appointment type of G, H or S and is registered for six hours or more for fall & spring terms, three hours for the summer term	0.03%	0.03%	0.03%
G, H or S and is registered for less than six hours for fall & spring terms, less than three hours for the summer term	07.68%	07.68%	07.68%

E. CONTACTS

Please direct any questions or concerns to:

Contacts:	Person	Telephone	E-mail
Grants and Contracts	Mee Mee Lee-Choi Associate Director	996-5961	meemlee@uillinois.edu
Grants and Contracts	Fuller Lyons Associate Director	996-0624	fuller@uillinois.edu
F&A and Fringe Benefit Rates	Sara P. Siegel Director of Administrative Planning & Support	413-9611	siegel1@uic.edu
Accounting Issues	Rich Rebot Assistant Director-Accounting	996-5960	rrebot@uillinois.edu
General Budgets	Russ Biskup Director of Budget & Financial Analysis	996-4951	rjbiskup@uillinois.edu
SURS/Social Security Retirement/Disability	Benefits Center	996-6470	benefits-uic@uillinois.edu

**CHICAGO CAMPUS
FY'07 PROVISIONAL FACILITIES/ADMINISTRATION (F&A) AND TUITION REMISSION RATES
FY'07 PROVISIONAL FRINGE BENEFIT RATES**

FACILITIES AND ADMINISTRATION (F&A) RATES-PROVISIONAL		ON-CAMPUS	OFF-CAMPUS				
<i>Subject to final negotiated rates for FY 2007-2009 with the Federal Government-anticipated completion by late Fall</i>							
Instruction		40.2%	26.0%				
Organized Research		55.0%	26.0%				
Other Sponsored Activities		36.7%	26.0%				
<i>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</i>							
CLINICAL DRUG TRIALS F&A RATE		25.0%	25.0%				
<i>This rate was established during FY 1994 for non-federally funded clinical drug studies and is applied to Total Direct Costs (TDC)</i>							
GRADUATE ASSISTANT TUITION REMISSION RATES-PROVISIONAL							
Instruction, Organized Research and Other Sponsored Activities		37.0%	37.0%				
<i>Subject to final negotiated rates for FY 2007-2009 with the Federal Government-Anticipated completion by late Fall Base is salaries of graduate assistants with waivers.</i>							
FRINGE BENEFIT RATES-PROVISIONAL							
<i>Rates for Retirement, Worker's Compensation, Medicare and OASDI are final. Health, Life & Dental Insurance and Termination Sick/Vacation Leave are provisional subject to final audit by the Federal Government.</i>							
If the appointment is academic or non-academic and	Total Benefits Rate	Retirement ^{1*}	Health, Life & Dental Insurance	Workers Compensation ^{2*}	Termination Sick/Vacation Leave	Medicare for Employees hired after 4/1/86	OASDI
continuous at 50% or more ^{3*}	34.26%	10.82%	21.12%	0.02%	0.85%	1.45%	
non-continuous at 50% or more ^{3*}	28.79%		21.12%	0.02%		1.45%	6.20%
continuous at less than 50% ^{3*}	13.14%	10.82%		0.02%	0.85%	1.45%	
Non-continuous at less than 50% ^{3*}	7.67%			0.02%		1.45%	6.20%

If the student has an appointment type of	Total Benefits Rate	Retirement^{1*}	Health, Life & Dental Insurance	Workers Compensation^{2*}	Termination Sick/Vacation Leave	Medicare for Employees hired after 4/1/86	OASDI
G, H or S and is registered for six or more hours in the fall or spring (3 or more hours in the summer) ^{4*}	0.02%			0.02%			
G, H or S and is registered for less than six hours in the fall or spring (less than 3 hours in the summer) ^{4*}	7.67%			0.02%		1.45%	6.20%
Hospital Residents	33.39%	10.82%	21.12%			1.45%	
Extra Help Employees	7.67%			0.02%		1.45%	6.20%
Post Doctorate							
Research Associates	Consistent with appointment types listed in schedule						
Fellows	No fringe benefits are assessed						

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

2* For Auxiliary Services, the Worker's Compensation rate is 0.49.

3* A continuous appointment is an appointment for a period of four continuous months or one academic term, whichever is less.

4* Health benefit rates resulting from the GEO contract effective August 16, 2006 through August 15, 2009 will not be assessed until FY'08.