

University of Illinois at Urbana-Champaign  
 FY15 Final Facilities/Administrative (F&A), Tuition Remission, and  
 Provisional Fringe Benefit Rates

FACILITIES AND ADMINISTRATION (F&A) RATES	On-Campus	Off-Campus
Instruction	<b>45.5</b>	<b>24.0</b>
Organized Research	<b>58.6</b>	<b>24.0</b>
Other Sponsored Activities	<b>25.4</b>	<b>18.7</b>

*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	<b>64.0</b>	<b>64.0</b>
Organized Research	<b>64.0</b>	<b>64.0</b>
Other Sponsored Activities	<b>64.0</b>	<b>64.0</b>

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

FRINGE BENEFIT RATES							
Employee Group	Total Benefit Rate	Retirement <sup>1</sup>	Health, Life, Dental	Workers' Compensation <sup>2</sup>	Termination	Medicare	OASDI
Employees Covered By The State University Retirement System (SURS) <b>Hired AFTER 4/1/86</b>	<b>39.14</b>	11.71	24.82	0.15	1.01	1.45	
Employees Covered By The State University Retirement System (SURS) <b>Hired BEFORE 4/1/86</b>	<b>37.69</b>	11.71	24.82	0.15	1.01		
Non-student Employees NOT covered by SURS	<b>7.80</b>			0.15		1.45	6.20
Graduate Assistants	<b>6.19</b>		6.04	0.15			
Students Enrolled > Half Time <sup>3</sup>	<b>0.15</b>			0.15			
Students Enrolled < Half Time <sup>3</sup>	<b>7.80</b>			0.15		1.45	6.20

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

<sup>2</sup> 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 3/1/2015 is 2.0%

<sup>3</sup> 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 and a predetermined rate agreement is in place covering the period July 1, 2011 through June 30, 2015. Within that rate period, the on-campus Organized Research and Other Sponsored Activity rates were different for FY2012 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).

#### 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

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 FY2012-2015 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

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 as stipulated in Section 6.c. 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, Executive 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 TUITION REMISSION RATES

The FY15 Tuition Remission Rate of 64% has been approved by 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. 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 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. Fringe benefit rate changes for FY15 were effective July 2014 (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/OSPRA Proposal Division in the Office of Sponsored Programs and Research Administration at 333-2187, [GCOAward@uillinois.edu](mailto:GCOAward@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, [obfsgcopostawarduiuc@uillinois.edu](mailto:obfsgcopostawarduiuc@uillinois.edu).

Questions related to F&A rates, fringe benefit rates, tuition remission rates, or costing issues should be directed to Shelly Benson, Interim Director, Office of Government Costing at 333-4882, [sbenson@uillinois.edu](mailto:sbenson@uillinois.edu).