

MEMORANDUM

Date:	July 1, 2015
To:	Main Campus Principal Investigators, Chairs, Deans, Directors and Department Administrators
From:	Main Campus Principal Investigators, Chairs, Deans, Directors and Department Administrators Michael J. Dougher, Ph.D., Vice President for Research Main Campus Fringe Benefit Rates on Proposals – FY 2016
Re:	Main Campus Fringe Benefit Rates on Proposals – FY 2016

The fringe benefit rates and methodologies provided in this memo are to be used on new contract and grant proposal budgets with a begin date on or after July 1, 2015. These rates replace prior year rates. Principal investigators may either use prior year actuals (Method 1) or estimated rates (Method 2). To be in compliance with the <u>Uniform Guidance or Cost Accounting Standards</u>, whichever method is used (Method 1 or Method 2) must be used consistently throughout the entire proposal. Since we are responsible for the actual costs incurred and the budgeted amounts should reflect as close possible what actual expenses will be. In the event that the budgeted amount does not cover the actual costs incurred, it will be necessary to re-budget during the period of the contract/grant to pay for actual fringe benefit costs.

Method 1 (Actuals):

Estimate actual cost by person based on past experience (actuals). A <u>UNM MyReports</u> report <u>FNRSLBE (Salary Labor</u> <u>Benefits and Encumbrance Report</u>) showing fringe benefit rates as a percent of salary <u>must</u> be included as supplementary documentation when the proposal is sent to the <u>Main Campus Office of Sponsored Projects</u>. A schedule of all personnel on the grant and their respective fringe rates must be included in each proposal. Fringe benefits are to be increased by 1.3% per year.

FY16 Example

28.6% FY15 actual full-time faculty fringe rate is projected at 29.0% for FY16 and calculated as follows: .286 * 1.013 = .2897 or 29.0%

Method 2 (Estimates):

The fringe benefit rates below assume a 3.5% group insurance rate increase each year, FY 17-20, for eligible employees.

	FY 16	FY 17	FY 18	FY 19	FY 20*
Faculty .50 FTE and above	29.0%	29.1%	29.3%	29.4%	29.5%
Staff .50 FTE and above	35.0%	35.3%	35.7%	36.0%	36.4%
Part-time faculty and staff, .2549 FTE	22.0%	22.0%	22.0%	22.0%	22.0%
Part-time faculty and staff, less than .25 FTE	8.1%	8.1%	8.1%	8.1%	8.1%
Summer salary only	22.0%	22.0%	22.0%	22.0%	22.0%
Postdoctoral fellows	25.8%	26.2%	26.5%	26.9%	27.9%
Undergraduate students	1.0%	1.0%	1.0%	1.0%	1.0%
Graduate Students	1.0% + Insurance				
Temporary Employees (if total work >520hours)	22.0%	22.0%	22.0%	22.0%	22.0%

Tuition for Research Assistants should be a separate line item.

*Proposals extending beyond F20 will continue to use FY20 rates.

Note on insurance:

For all <u>Research Assistants (RA) and Project Assistants (PA)</u> > .25 FTE, health insurance should be budgeted as follows for either method (student insurance projected to increase 10% per year):

	FY 16	FY 17	FY 18	FY 19	FY 20
Fall:	\$710	\$781	\$859	\$945	\$1,040
Spring/Summer:	\$995	\$1,095	\$1,204	\$1,324	\$1,457
Summer Only:	\$383	\$421	\$463	\$510	\$561

Important Links

- Main Campus of Sponsored Projects, UNM Forms and RAPID Forms Suite http://osp.unm.edu/?q=osp-forms
- Office of Budget, Planning & Analysis, UNM Guidelines for Completion of 2015-16 Operating Budgeting Plans http://www.unm.edu/~budget/guidelines/glinformation/index.html
- Health Sciences Center (HSC), HSC Fringe Benefit Rates on Proposals FY 2016
- http://hsc.unm.edu/financialservices/preaward/common/docs/guidance-docs/fringe-benefits-proposals.pdf
- Graduate Student Health Insurance <u>http://hr.unm.edu/benefits/student-health-insurance.php</u>

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