


TO: All Research Faculty and Administrative Staff

FROM: Kathy Byington 
Chief Financial & Administrative Officer and Vice President

DATE: July 28, 2015

RE: **Implementation of New F&A and Fringe Benefit Rate Agreement**

The University has successfully negotiated a new Fringe Benefit and Facilities and Administrative (F&A) cost rate agreement with the federal government. This rate agreement is dated June 30, 2015. The new rates have been loaded to Quali COEUS for budget development. The new agreement is scanned and posted on the web at <http://www.umaryland.edu/cost/>.

In summary, the rates effective 07/01/2015 – 06/30/2018 are as follows:

Facilities and Administrative Rates

	On Campus			Off Campus	
	Prior Agreement	New Agreement		Prior Agreement	New Agreement FY16+
		FY16 to FY17	FY18+		
Organized Research	53.5%	54.0%	54.5%	26.0%	26.0%
Other Sponsored Activities	38.9%	39.9%	39.9%	26.0%	26.0%
Instruction	54.6%	52.2%	52.2%	26.0%	26.0%
IPA				6.0%	7.8%

All of these rates are applied to Modified Total Direct Costs (MTDC).

Other F&A Rates

The corporate-sponsored clinical trials rate of 30% of Total Direct Costs (TDC) and the basic/allied research rate for corporate and commercial sponsors of 47.5% of TDC are not regulated by the rate agreement with the federal government. The University is still considering what these rates will be going forward. Additional communication will be forthcoming.

Current Proposal Submissions

All proposals submitted now should use these new rates for all budget periods after 06/30/2015. Budget periods after 06/30/2018 should use the FY18 rates until this agreement is amended. This amendment will occur sometime after the University submits its next F&A rate proposal based on the fiscal year ended June 30, 2017.

Awards Accepted After June 30, 2015 That Were Proposed at the Old Rates

New and competing renewal Federal and Federal pass-through awards with start dates of July 1, 2015 or after should be awarded at the new rates. The Sponsored Programs Administration will contact the sponsors and negotiate if required. Non-competing Federal renewals will continue with the old rates. Renegotiation of non-Federal awards to the new rates will be done on a case-by-case basis.

Awards Accepted Prior to June 30, 2015

All awards accepted prior to June 30, 2015 will stay at their current rates.

Fringe Benefit Rates

	Apply to Accounts	FY16+	Fringe Account
Faculty	1011 – Faculty 9/10 Month 1012 – Faculty 12 Month	23.4%	2790 - Fringe Rate Faculty
Staff	1013 – Exempt Staff 1014 - Non-exempt Staff	35.1%	2791 - Fringe Rate Staff
Legislated Benefit	2071 – Faculty 2072 - Exempt Staff (C1) 2073 – Non-exempt Staff (C1) 2074 - College Work Study (CWS) (Summer) 2075 - Student (other than CWS) (Summer) 2080 – Summer Salaries 2110 – Overtime 2120 – Shift Differential 2130 - On-call Pay	8.4%	2793 - Fringe Rate Legislated Benefit
Limited Benefit	1021 - Post Docs/Fellows 2090 - Contractual Employee (C2)	25.8%	2792 – Fringe Rate Limited Benefit

The following salary accounts will not incur fringe benefits due to the student FICA exemption:

- 1020 - Graduate Assistants
- 2074 - Student College Work Study (CWS)
- 2075 – Students other than CWS

If it is determined that these employees are not eligible for the FICA exemption during the summer, then the Legislated Benefit rate above will be applied to these summer wages.

These rates should now be used for all grant and contract proposals, and for planning purposes on non-sponsored funding sources. These rates are consistent with the planning rates that have been loaded to Kualu COEUS.

If you have any questions, please contact Lynn McGinley, AVP, Sponsored Projects Accounting and Compliance at 410-706-2889 or lmcginley@umaryland.edu. Implementation will also be covered at the SPA/SPAC meeting on August 20, 2015 from 2:30 – 4:00 in Pharmacy Hall, Rm. N103.