



Office of the Vice President for Research

MEMORANDUM

Date: July 1, 2016 (Updated 10 3, 2016)
To: Main Campus Principal Investigators, Chairs, Deans, Directors and Department Administrators
From: Gabriel P. López, Ph.D., Vice President for Research
Re: Main Campus Fringe Benefit Rates on Proposals – FY 2017

The fringe benefit rates and methodologies provided in this memo are to be used on new contract and grant proposal budgets with a beginning date on or after of July 1, 2016. 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 OMB Circular A-21, Cost Accounting Standards, whichever method is used, it must be used consistently throughout the entire proposal. Since we are responsible for the actual costs incurred, the budgeted amounts should reflect as closely as 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 UNM MyReports report FNRSLE (Salary Labor Benefits and Encumbrance Report) showing fringe benefit rates as a percent of salary must be included as supplementary documentation when the proposal is sent to the Main Campus Office of Sponsored Projects. A schedule of all personnel on the grant and their respective fringe rates is to be included in each proposal. Fringe benefits are to be increased by 1.3% per year.

FY17 Example

28.6% FY16 actual full-time faculty fringe rate is projected at 29% for FY17 and calculated as follows: .286 \* 1.013 = .2897 or 29.0%

Method 2 (Estimates):

The fringe benefit rates below assume: (a) a 5% group insurance rate increase each year, FY18-FY21, for eligible employees; (b) statutorily required Educational Retirement changes for FY 17.

Table with 6 columns (Category, FY17, FY18, FY19, FY20, FY21\*) and 10 rows (Faculty .50FTE and above, Staff .50 FTE and above, Part-time faculty and staff, .25-.49 FTE, Part-time faculty and staff, less than .25 FTE, Summer salary only, Postdoctoral fellows, Undergraduate students, Graduate Students, Temporary Employees (if total work >520hours))

Tuition for Research Assistants should be a separate line item.

Note on insurance:

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

Table with 6 columns (Category, FY17, FY18, FY19, FY20, FY21\*) and 3 rows (Fall, Spring/Summer, Summer Only)

\*Proposals exceeding FY21 will continue to use FY21 rates.

Fringe benefit rates are subject to change the following reference links may assist you with questions that arise in budget planning.

Reference Links:

- Main Campus Office of Sponsored Projects, UNM Sponsored Projects Forms
http://osp.unm.edu/osp-forms
UNM Health Sciences Center (HSC), HSC Fringe Benefit Rates on Proposals – FY 2017
http://hsc.unm.edu/financialservices/preaward/common/docs/guidance-docs/fringe-benefits-proposals.pdf
Office of Budget, Planning & Analysis, Budget Planner/Development
http://budgetoffice.unm.edu/budget/index.html
Division of Human Resources, Benefits
https://hr.unm.edu/benefits
Division of Human Resources, UNM 2016 – 2017 Student Insurance Plan: Plan Basics
https://hr.unm.edu/benefits/student-health-insurance-changes