### FACILITIES AND ADMINISTRATIVE (F&A) RATES

<table>
<thead>
<tr>
<th></th>
<th>FY16 (for reference)</th>
<th>FY17 (for reference)</th>
<th>FY18</th>
<th>FY19</th>
</tr>
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<tbody>
<tr>
<td><strong>On-Campus:</strong></td>
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<tr>
<td>Instruction</td>
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<td>Organized Research</td>
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<td><strong>Off-Campus:</strong></td>
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<td>Instruction and Organized Research</td>
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<td>26.0</td>
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<td>Other Sponsored Activities</td>
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<td>21.1</td>
<td>23.6</td>
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</table>

The base for the F&A rates is Modified Total Direct Costs (MTDC). For a list of items included and excluded to derive MTDC refer to the Facilities and Administrative Cost Rate section below.

**Agreement:** NICRA, 06/28/16

**Institutional Policy:** CAM XI-7: Charging of Facilities and Administrative Costs to Sponsored Projects

**FAQ's:** Facilities & Administrative Rates Frequently Asked Questions

**Sample F&A Rate Budget Justifications:**

**Research**

Research, On-Campus: 58.6% MTDC for the predetermined period of 07/01/16 – 06/30/2019, per the Negotiated Indirect Rate Agreement with the Office of Naval Research dated 06/28/16.

Research, Off-Campus: 26.0% MTDC for the predetermined period of 07/01/16 – 06/30/2019, per the Negotiated Indirect Rate Agreement with the Office of Naval Research dated 06/28/16.

**Instruction**

Instruction, On-Campus: 45.8% MTDC for the predetermined period of 07/01/16 – 06/30/2019, per the Negotiated Indirect Rate Agreement with the Office of Naval Research dated 06/28/16.

Instruction, Off-Campus: 26.0% MTDC for the predetermined period of 07/01/16 – 06/30/2019, per the Negotiated Indirect Rate Agreement with the Office of Naval Research dated 06/28/16.

**Other Sponsored Activities**

Other Sponsored Activities, On-Campus: 25.4% MTDC for the predetermined period of 07/01/16 – 06/30/17, 28.6% MTDC for the predetermined period of 07/01/17 – 06/30/18, and 31.9% MTDC for the predetermined period of 07/01/18 – 06/30/19, per the Negotiated Indirect Rate Agreement with the Office of Naval Research dated 06/28/16.
Other Sponsored Activities, Off-Campus: 18.7% MTDC for the predetermined period of 07/01/16 - 06/30/17, 21.1% MTDC for the predetermined period of 07/01/17 - 06/30/18, and 23.6% MTDC for the predetermined period of 07/01/18 - 06/30/19, per the Negotiated Indirect Cost Rate Agreement with the Office of Naval Research dated 06/28/16.

**FACILITIES AND ADMINISTRATIVE COST RATES**

Facilities and Administrative (F&A) Cost Rates are established by calculation of the indirect costs of sponsored projects, followed by negotiation with the Federal Government. The FY2016 University of Illinois at Urbana-Champaign Facilities and Administrative Rates negotiated with the Federal Government were provisional rates employed until final negotiations with the Federal Government could be completed. This document presents the University of Illinois at Urbana-Champaign (UIUC) finalized F&A rates for FY2016 through FY2019.

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. Generally, a single rate is applied, based on predominance of activity, and is assessed for the life of the current funding segment. 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.

Modified Total Direct Cost (MTDC) is the basis for these federally negotiated rates.

**MTDC 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.

**MTDC excludes:**
- 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.
- Participant Support Costs (Stipends, subsistence allowances, travel allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with conferences or training projects.)
Tuition Remission Rate (FY18)

| Graduate Assistant Tuition Remission Rate | 64.0% |

The base for the Tuition Remission Rate is salaries and wages of graduate assistant(s) with tuition waivers.

Institutional Policy: The Graduate College Handbook, Section D

FAQ’s: Tuition Remission Rates Frequently Asked Questions

Sample Tuition Remission Rate Budget Justification:

Tuition Remission Rate: 64.0% of salaries and wages of graduate assistant(s) for the predetermined period of 07/01/17 – 06/30/2018, per the Tuition Remission letter of approval from the Office of Naval Research.

FY18 TUITION REMISSION RATES

The Tuition Remission Rate of 64% has been established by approval of 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. Check the sponsor agency’s guidelines to determine allowability.
FRINGE BENEFIT RATES (FY18)

<table>
<thead>
<tr>
<th>Employee Group</th>
<th>Total Benefit Rate</th>
<th>Retirement¹</th>
<th>Health, Life, Dental</th>
<th>Workers' Compensation²</th>
<th>Termination</th>
<th>Medicare</th>
<th>OASDI</th>
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<tbody>
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<td>Employees Covered By The State University Retirement</td>
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<td>12.46</td>
<td>23.28</td>
<td>0.10</td>
<td>0.77</td>
<td>1.45</td>
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<tr>
<td>Systems (SURS) Hired AFTER 4/1/86</td>
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<tr>
<td>Employees Covered By The State University Retirement</td>
<td>36.61</td>
<td>12.46</td>
<td>23.28</td>
<td>0.10</td>
<td>0.77</td>
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<td>Systems (SURS) Hired BEFORE 4/1/86</td>
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<tr>
<td>Non-student Employees NOT covered by SURS</td>
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<tr>
<td>Graduate Assistants</td>
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<tr>
<td>Students Enrolled &gt; Half Time³</td>
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<td>0.10</td>
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<tr>
<td>Students Enrolled &lt; Half Time</td>
<td>7.75</td>
<td>0.10</td>
<td>1.45</td>
<td>6.20</td>
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</tr>
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</table>

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

² 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 12/1/2017 is 2.0%

³ 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.

Institutional Policy: CAM XI-A32: Effort and Compensation on Sponsored Projects

FAQ’s: Fringe Benefit Rates Frequently Asked Questions

Sample Fringe Budget Justification:

Fringe Benefit Rates: 38.06% for SURS (non-self-managed), 33.20% for SURS (self-managed), 7.75% for non-SURS employees, 7.37% for Graduate Assistants, 0.10% for students enrolled at or more than half time, and 7.75% for students enrolled at less than half time of salaries and wages, per the Negotiated Fringe Cost Rate Agreement with the Office of Naval Research.

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 FY18 will be effective July 2017 (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 Brian Rogers, Associate Director/SPA Pre-Award at 300-9997, bprogers@illinois.edu, or SPA Pre-Award at 333-2187, spapreaward@illinois.edu.

Questions related to rate applications to project financial funds should be directed to Linda Gregory, Director/SPA Post-Award at 333-4881 lagregry@illinois.edu, or SPA Post-Award at 333-2186, spapostaward@illinois.edu.

Questions related to the calculation of F&A rates, fringe benefit rates, tuition remission rates, or costing issues should be directed to Shelly Benson, Director, Office of Government Costing at 333-4882, slbenson@uillinois.edu.