



FRINGE BENEFIT RATES AND SPONSORED PROJECTS

POLICY 1.2.01

10.9.2020

PURPOSE:

This policy outlines the fringe benefit rates to be used when preparing budgets for sponsored project proposals and contracts.

Fringe benefit rates cover expenses such as Workers' Compensation, Unemployment Compensation, Health Plans, Retirement Plans, Social Security, Medicare, and Separation Leave for Center for Veterans Research and Education (CVRE) employees and Minneapolis VA Health Care System staff.

Each year, using methods set out in approved Cost Accounting Standards, Financial Accounting, and Management Accounting and Analysis (MAA) use estimated costs to calculate the rate for charging fringe benefits to proposed budgets. This rate is known as the preliminary institutional fringe benefit rate.

POLICY:

Fringe benefit rates associated with an employee's effort and salary on a sponsored project are to be included in proposed sponsored project budgets, consistent with Federal Uniform Guidance and specific sponsor policies. All sponsored project proposal budgets should include funding for employee benefits at rates commensurate with the salary object code of the individuals participating on the project, as set out in the fringe benefit rate table.

Publication of the preliminary fringe benefit rate is for use in multi-year proposal budgets. It is recommended that a preliminary rate be used to calculate anticipated fringe benefit costs in the fiscal year(s) beyond the current fiscal year.

Actual fringe benefit rates charged to a sponsored project will reflect the current approved rates for that fiscal year.

EXCEPTIONS:

A sponsor may override or limit the fringe rate benefit proposed.

APPLIES TO:

All researchers and staff submitting proposal applications through CVRE.

DEFINITIONS:**Fringe Benefit:**

Fringe benefits are allowances and services provided by employers to their employees as compensation in addition to regular salaries and wages. Fringe benefits include, but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans.

Preliminary Institutional Rate:

Calculated rates based on estimated costs for charging fringe benefit costs to budgets during the upcoming fiscal year.

Sponsored Project:

Any exchange transaction between CVRE and the sponsor. A CVRE sponsored project is not a purchase or sale of goods or services or “work for hire” arrangement but instead is a mutual exchange involving CVRE and a sponsor. Sponsors may provide funding, equipment or other tangible items, such as goods or services, for research, education programs, analytical services or other rights or goods. Sponsored projects are both funded via a grant or contract mechanism.

LINKS:

Uniform Guidance, 2 CFR 200: <https://www.govinfo.gov/app/details/CFR-2017-title2-vol1/CFR-2017-title2-vol1-part200>

CONTACTS:

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HISTORY:

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