


**MEMORANDUM**

Date: July 1, 2017
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 2018

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, 2017. These rates replace the prior year rates. Principal investigators may use either prior year actuals (Method 1) or estimated rates (Method 2). To comply with [Uniform Guidance monitored](#) costs, 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 close as possible what actual expenses would 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 cost per person based on past experience (actuals). UNM MyReports Report FNRSLEBE (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.

FY 18 Example:

If the FY 17 actual full-time faculty fringe rate was 28.6%, the FY 18 actual full-time faculty fringe rate would be projected at 29.0%, calculated as follows: $.286 * 1.013 = .2897$ or 29.0%.

Method 2 (Estimates):

The fringe benefit rates below assume a 5.0% group insurance rate increase each year, FY19-FY22, for eligible employees.

| | FY18 | FY19 | FY20 | FY21 | FY22* |
|--|------------------|-------|-------|-------|-------|
| Faculty .50 FTE and above | 29.0% | 29.2% | 29.4% | 29.6% | 29.8% |
| Staff .50 FTE and above | 35.0% | 35.5% | 36.0% | 36.6% | 37.2% |
| Part-time Faculty and Staff, .25 - .49 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 | 26.3% | 26.8% | 27.3% | 27.9% | 27.9% |
| Undergraduate students | 1.0% | 1.0% | 1.0% | 1.0% | 1.0% |
| Graduate Students | 1.0% + Insurance | | | | |
| Temporary Employees (if total work >520 hours) | 22.0% | 22.0% | 22.0% | 22.0% | 22.0% |

Tuition for Research Assistants should be a separate line item.

*Proposals exceeding FY22 will continue to use FY22 rates.

Note on Insurance:

For Research Assistants (RA) and Project Assistants (PA) working >.25 FTE, health insurance should be budgeted as follows for either method (student insurance projected to increase 10% per year from FY17):

| | FY18 | FY19 | FY20 | FY21 | FY22* |
|---------------|---------|---------|---------|---------|---------|
| Fall | \$1,016 | \$1,118 | \$1,230 | \$1,353 | \$1,488 |
| Spring/Summer | \$1,016 | \$1,118 | \$1,230 | \$1,353 | \$1,488 |
| Summer Only | \$339 | \$373 | \$410 | \$451 | \$496 |

*Proposals exceeding FY22 will continue to use FY22 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](#)
 UNM Health Sciences Center (HSC), *HSC Fringe Benefit Rates on Proposals – FY 2018*
 Office of Budget, [Planning & Analysis, Budget Planner/Development](#)
 Division of Human Resources, [Benefits](#)
 Division of Human Resources, [UNM Student Health Plan](#)