



ADMINISTRATION AND FINANCE

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TO: All Research Faculty and Administrative Staff
 FROM: Scott Bitner
 Vice President Finance and Auxiliary Services / Deputy CFO
 DATE: November 14, 2023
 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 October 24, 2023. The new rates have been loaded to Kual Research for budget development. The new agreement is scanned and posted on the web at www.umaryland.edu/cost

In summary, the rates effective 07/01/2023 – 06/30/2027 are as follows:

Facilities and Administrative Rates

	On Campus			Off Campus	
	Prior Agreement		New Agreement FY24+	Prior Agreement	New Agreement FY24+
	FY16 to FY17	FY18+			
Organized Research	54.0%	54.5%	55.5%	26.0%	26.0%
Instruction	52.2%	52.2%	50.5%	26.0%	26.0%
Other Sponsored Activities	39.9%	39.9%	38.0%	26.0%	26.0%
IPA				7.8%	7.0%

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

Other F&A Rates

The corporate-sponsored clinical trials rate of 40% of Total Direct Costs (TDC) and the basic/allied research rate for corporate and commercial sponsors of 50% of TDC are not regulated by the rate agreement with the federal government. You can see these rates listed at <https://www.umaryland.edu/spa/budgets-and-expenses/fa-cost-rates/>

Current Proposal Submissions

All proposals submitted now should use these new rates for all budget periods after 10/24/2023. Budget periods after 06/30/2027 should use the FY24 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, 2026.

Awards Accepted After October 24, 2023 That Were Proposed at the Old Rates

New and competing renewal Federal and Federal pass-through awards with start dates of October 25, 2023 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 October 24, 2023

All awards accepted prior to October 24, 2023 will stay at their current rates.

Fringe Benefit Rates

	Apply to Accounts	FY24+	Fringe Account
Faculty	1011 – Faculty 9/10 Month 1012 – Faculty 12 Month	28.8%	2790 - Fringe Rate Faculty
Staff	1013 – Exempt Staff 1014 - Non-exempt Staff	39.2%	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 2085 – Supplemental Pay 2110 – Overtime 2120 – Shift Differential 2130 - On-call Pay 2140 – Bonus Pay	8.3%	2793 - Fringe Rate Legislated Benefit
Limited Benefit	1021 - Post Docs/Fellows 2090 - Contractual Employee (C2)	18.8%	2792 – Fringe Rate Limited Benefit



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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 Rama Camara Spasic, Director, Sponsored Projects Accounting and Compliance at 410-706-7759 or rcamaraspasic@umaryland.edu.