

**NOVA SOUTHEASTERN UNIVERSITY
OFFICE OF SPONSORED PROGRAMS
POLICIES AND PROCEDURES**

PROPOSAL PREPARATION

APPLICATION OF FRINGE BENEFIT RATES TO PROPOSAL BUDGET

EFFECTIVE 12-01-08, REVISED 12-26-2014

POLICY #6

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PURPOSE:

To establish a policy and procedure to ensure the correct application of fringe benefit rates to sponsored project proposal budgets, including federal and non-federal agencies.

DEFINITIONS:

Fringe Benefits: Costs incurred by the university on behalf of its employees.

- For full-time employees, fringe benefits include FICA, retirement, workers' compensation, life and health insurance, unemployment insurance, long term disability, employee moving expense, and employee tuition remission.
- In general, for part-time employees, fringe benefits include only FICA and workers' compensation expense.

Fringe Benefit Rate: The rate negotiated between the university and the U.S. Department of Health and Human Services (DHHS). This rate is represented in an executed Cost Rate Agreement for reimbursing fringe benefit rates at the university for the period of time specified in the rate agreement. The rate is applied to salaries and wages paid by the university.

POLICY:

All salaries and wages paid by the university will be assessed fringe benefits at the currently effective fringe benefit rates, regardless of funding source.

REFERENCES:

- OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200, <https://federalregister.gov/a/2013-30465>
- OMB Federal Awarding Agency Regulatory Implementation of Office of Management and Budget's Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, <https://www.federalregister.gov/articles/2014/12/19/2014-28697/federal-awarding-agency-regulatory-implementation-of-office-of-management-and-budgets-uniform>
- NIH Grants Policy Statement, <http://grants.nih.gov/grants/policy/policy.htm#gps>
- NSF Proposal and Award Policies and Procedures Guide, <http://www.nsf.gov/bfa/dias/policy/>
- HHS Grants Policy Statement, <http://www.hhs.gov/grants/grants/policies-regulations/index.html>

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PROCEDURES:

1. To ensure sponsored projects are adequately funded by the sponsor, it is essential to use the appropriate fringe benefit rate when preparing the proposal budget. The currently effective fringe benefit rates can be accessed at www.nova.edu//osp/fact.html or by contacting the Office of Sponsored Programs (OSP).
2. Fringe benefits are applied each pay period against the appropriate salaries and wages incurred in the performance of each sponsored project at the university. Fringe benefit costs are reflected on financial reports.
3. As a general rule, changes in fringe benefit rates will become effective in accordance with effective dates of the negotiated F&A Rate Agreement. Every effort is made to ensure the fringe benefit rates are disseminated as soon as practicable for use in the preparation of project budgets. The rates will be disseminated by the Controller's Office.
4. Questions from department administrators, administrative assistants, Principal Investigators/Project Directors (PIs/PDs), and faculty/staff regarding the application, composition, negotiation, or applicability of fringe benefit rates will be referred first to OSP.