

New York University

UNIVERSITY POLICIES

Title:	Fringe Benefit Rates Policy for Sponsored Programs
Effective Date:	December 1, 2017
Supersedes:	September 1, 2013
Issuing Authority:	Sponsored Programs Administration
Responsible Officer:	Assistant Vice President for Post-Award Administration

Policy

It is the policy of New York University (NYU, “the University”) that the Fringe Benefit Rate is established in accordance with the Federal Office of Management and Budget Uniform Guidance ([*OMB Uniform Guidance*](#)). The rate is negotiated between NYU and the Department of Health and Human Services (DHHS), the Division of Cost Allocation (DCA), which is the cognizant Federal agency overseeing the administration of sponsored projects at NYU. This rate must be applied to externally sponsored programs salaries when developing budgets or for charges of actual salary costs. For graduate research assistants (GRA’s), tuition remission is charged as a percentage of their salary in lieu of fringe benefits.

Purpose of this Policy

The purpose of this policy is to provide an explanation of NYU’s Fringe Benefit Rate and its application to sponsored projects.

Scope of this Policy

This policy is applicable to all schools, departments, units and personnel of the University involved in administering sponsored awards.

Procedures for Implementation

i. Calculation of the Fringe Benefit Rate

The Fringe Benefit Rate is calculated by the development of a pool of Fringe Benefit Costs (the numerator) and of a salary and wage base (denominator). The pool consists of costs for the benefits provided to employees. A Fringe Benefit Rate is developed by dividing the cost pool by the base; this rate represents the percentage that must be multiplied by employees’ salaries and wages expended for sponsored projects.

ii. Fixed Rate

NYU negotiates a fixed Fringe Benefit Rate with the DHHS, DCA. A fixed rate is based on an estimate of the costs for the period covered by the rate. When the actual costs for this period are determined, an adjustment will be made to the rate for the future year(s) to compensate for the difference between the costs used to establish the fixed rate and actual costs.

iii. Components of the Fringe Benefit Rate

The fringe benefit costs included in the negotiated rate are:

- Annuity
- Group Insurance
- Major Medical
- Hospitalization
- FICA
- Worker's Compensation
- Dental Plan
- Pensions
- Unemployment Insurance
- NYS Disability Insurance
- Tuition Remission (Employee only)
- Travel Insurance
- Disability Income Protection

iv. Paid and Unpaid Absences

Vacation, holiday, sick leave pay and other paid absences are included in salaries and wages and are claimed on grants, contracts and other projects as part of the normal cost for salaries and wages. Separate claims are not made for the cost of these paid absences. Unpaid sabbatical and research leave of absences may not be charged to sponsored projects.

v. Application of the Fringe Benefit Rate

The Fringe Benefits are charged using the rate negotiated with the cognizant agency. The rate is applied to the portion of salaries and wages allocable to the sponsored project.

Policy Definitions

N/A

Related Policies

- Effort Reporting Policy for Sponsored Programs
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/effort-reporting-policy-for-sponsored-programs.html>
- Personnel Costs for Sponsored Programs Policy
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/personnel-costs-for-sponsored-programs-policy.html>

Federal Regulations

- OMB Uniform Guidance
http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- Colleges and Universities Rate Agreement negotiated with the Division of Cost Allocation, the Department of Health and Human Services
https://www.nyu.edu/content/dam/nyu/research/documents/OSP/NYU_NICRA.pdf