

## UNIVERSITY OF ROCHESTER PROPOSAL BUDGETING INFORMATION

**DIRECT COSTS:** Direct Costs are costs that can be specifically identified with a particular sponsored project. Direct Costs may include salaries, fringe benefits, equipment, travel, subcontracts, tuition, and operations expenses such as materials and supplies, consultants, photocopying/printing, and long distance telephone toll charges.

**NOTE:** If requesting direct charges for salaries of administrative and clerical staff, office supplies, postage, local telephone costs and memberships, a justification for direct charging (as opposed to indirect charging) should be included with the proposal budget.

<b>Salary:</b> The following information is for budget planning purposes only. The U of R is not required to propose or report salary costs in person-days or man-hours.				
1 work month		4.3 weeks	22 person day	173 hours
Academic Year (AY)	Sept 1 thru May 31	39.0 weeks	195 person days	1560 hours
Fiscal Year (FY)	July 1 thru June 30	52.0 weeks	260 person days	2080 hours
Summer (3 months)*	June 1 thru Aug 31	13.0 weeks	65 person days	520 hours

\*NSF budgets for summer salary is limited to 2 months per fiscal year (total).

- List the amount of time (percent of effort/person months) to be spent by each U of R employee who will work on the project and the rate of pay (institutional base salary), when applicable.
- Compensation on sponsored projects must not exceed authorized base rate of pay at U of R.
- New job classifications and compensation for staff must conform to U of R Human Resources classifications.
- Time can be shown in percent of full-time effort or in person-hours, -days, or -weeks or -months. Percent of full-time effort or person months are the preferred methods because hours, days and weeks vary by pay period, and using those units of measurement can create some discrepancies in budgeting estimates versus actual costs.
- Effective 1/6/19, the NIH salary cap is \$192,300 for awards issued with FY 2019 funds. The faculty member's institutional base salary should be used when completing Form 150, Cost Sharing forms. Fringe benefits should be calculated on the authorized base rate of pay, not the capped salary amount.
- Compensation (wages, fringe benefits and tuition remission) for graduate students paid from NIH funds should normally not exceed \$50,004 per year.
- Use an annual escalation factor of 3% for NIH; 3-4% for other sponsors, unless otherwise restricted.
- Budgeting for secretarial/administrative support on projects is appropriate only when effort can be specifically identified with the project. Federal sponsors are now requiring additional justification of the need for these positions.
- Budget undergraduate student employees starting at the New York State minimum wage of \$11.10 per hour. Increases may be added based on experience and policies of Student Employment.

### Fringe Benefits: (Fiscal Year 2019 Effective 7/1/18)

Faculty/Academic Professionals - Rate 1	29.30% of direct salary up to \$128,400 Please refer to ORPA Homepage <a href="http://rochester.edu/orpa/proposals/fringe/">http://rochester.edu/orpa/proposals/fringe/</a> for rates above \$128,400.	Covers FICA, health insurance, unemployment and worker's compensation retirement, etc.
Professional, Administrators, Supervisory and nonexempt staff - Rate 2	34.6% of direct salary	Covers FICA, health insurance, unemployment and worker's compensation, retirement, etc.
Postdoctoral Associates (0093) - Rate 4	22.3% of direct salary	Covers FICA and health insurance
Faculty Summer Compensation - Rate S	12.0% of direct salary	Covers FICA, health insurance, unemployment and worker's compensation

During the summer, undergraduate and graduate students who are not enrolled on a full-time basis will be charged at 9.4% (Rate 3).

University of Rochester Summary of Benefits for Postdoctoral appointees (1/1/19-12/31/19) can be found here:  
[https://rochester.edu/working/hr/benefits/library/summary\\_postdoc.pdf](https://rochester.edu/working/hr/benefits/library/summary_postdoc.pdf)

**Capital Equipment:** Separately list any capital equipment purchases (defined as having a useful life of more than one year, and an acquisition cost of \$1,000 or more per unit). Equipment rental should be listed as operational costs. Capital budgets are strengthened by including the basis of the cost of proposed equipment, i.e., telephone quotes, vendor catalog prices or bids.

**Travel:** Follow U of R *Travel Policy and Conference Handbook* in budgeting for travel expenses. Transportation equals the estimated round-trip airfare at lowest possible fares, or 58 cents per mile (effective 1/1/19) if driving is appropriate. Per diem costs (lodging, meals, and incidentals) should be estimated; the Federal per diem rates may be used as guidance. Proposed travel should include conference name, location, purpose, and cost. Foreign travel should be budgeted separately and usually requires additional prior written approval from the sponsor.

**Operations:** Operations include, but are not limited to:

Expendable materials and supplies	best estimate: check catalogs and historical records
Copy services	best estimate: contact appropriate copy center for current rates per copy
Long distance telephone, fax, network	best estimate: includes installation, long distance,
Postage/express mail	best estimate: use current U.S. Postal Service rates
Office Supplies	best estimate: check catalogs and historical records
Equipment maintenance	best estimate: check historical records or contact Procurement Services (x5-2002) for annual contract rates
Consultants	actual daily rate with proper documentation
Subawards/Subcontracts	Authorized budget or written estimate/quotation on subcontractor's letterhead with subcontractor's authorized signature - refer to sponsor guidelines
Renovation	contact U of R Planning and Construction (x5-4887) for estimate
Lab animal costs	contact Vivarium (x5-2651) for per diem and purchase rates
RSRB Fees – Clinical Research (for industry sponsored proposals, no fee for federal or foundation funded, unfunded or department funded)	<a href="http://www.rochester.edu/ohsp/rsrb/policies/feeSchedule.html">http://www.rochester.edu/ohsp/rsrb/policies/feeSchedule.html</a>

**Tuition and Fees:** for the School of Medicine and Dentistry (medical students and graduate students) visit the following url: <http://www.urmc.rochester.edu/education/bursar/>. For other University of Rochester schools visit the following url: <https://www.rochester.edu/adminfinance/bursar/>

**Indirect Costs or F&A:** Indirect costs are costs that cannot be specifically identified with a sponsored project, but which benefit that project (e.g., purchasing, utilities, payroll, facilities management, department administration).

**Indirect Cost (F&A) Calculation:** When full F&A are allowable, apply the appropriate F&A rate to the modified total direct costs (MTDC) base. Items included in the MTDC base are:

- Salaries and wages
- Copy services
- Computer software
- Publication/page charges
- Fringe benefits
- Subcontracts (1st \$25,000 only)
- Materials and lab supplies
- Consultant services
- Travel
- Telephone/mailling costs
- Office supplies

Items not in the MTDC base are:

- Tuition remission, scholarships, and fellowships
- Capital equipment (items at least \$1,000)
- Subawards/Subcontracts over the first \$25,000
- Patient care costs
- Construction, alteration, and/or renovation
- Rental Cost of Off-Site Facilities

If the rate used is **less than the University's negotiated rate**, F&A may be **calculated on total direct costs**, versus modified total direct costs. Contact your ORPA Research Administrator for assistance.

**Indirect Cost Rates:** These rates were negotiated with the Department of Health and Human Services (Agreement dated 4/24/18)

Applicable to	Effective 7/1/17 until 6/30/19
on campus	54%
off campus*	27.0%
OSP (other sponsored projects) on-campus	35.0%
OSP off-campus*	25.0%
Industry-sponsored clinical trials	30.0% (on total direct costs)

\*"Off-campus" is defined as research that is conducted in space not owned by the University and not otherwise paid for by the University from University funds. The University uses the rate applicable to the location where the preponderance of the time and effort will be expended (e.g., more than 50%). If a project is judged to be off-campus, as measured by the above criteria, it shall normally be considered wholly off-campus and requires Dean's Office Approval at the time of proposal submission. Accordingly, each award is assigned only one indirect cost rate, unless otherwise stated by the sponsor.

Effective 12/26/14, NIH will provide 8% F&A costs (TDC excluding equipment) to foreign and international organizations. NIH will provide 10% of modified total direct costs (MTDC) to recipients that do not have a negotiated F & A rate in place at the time of award.