

Budget Preparation Information

Benefits:

A 28% rate should be applied to Faculty/Staff salaries. This includes academic year and summer salaries.*

The reason for one fringe benefit rate is included in the excerpt below from the NC BUDGET MANUAL:

Page 51 (b) Required employer salary-related contributions for retirement benefits, death benefits, disability salary continuation and Social Security for employees whose salaries are paid from general fund or highway fund revenues, or from department, office, institutional or agency receipts, or from nonstate funds, shall be paid from the same source as the source of the employees' salaries. In those instances in which an employee's salary is paid in part from the general fund, or the highway fund, and in part from the department, office, institutional or agency receipts, or from non-state funds, the required salary-related contributions shall be paid from the general fund, or the highway fund, only to the extent of the proportionate part paid from the general fund, or highway fund, in support of the salary of such employee, and the remainder of the employer's contribution requirements shall be paid from the same source which supplies the remainder of such employee's salary. The requirements of this section as to the source of payment are also applicable to payments on behalf of the employee for hospital-medical insurance, longevity payments, salary increments, and legislative salary increases. The State Controller shall approve the method of payment by State departments, offices, institutions and agencies for employer salary-related requirements of this section, and determine the applicability of the section to an employer's salary-related contribution or payment in behalf of an employee.

Facilities and Administrative (F&A) Costs (Formerly "Indirect Costs"):

- On-campus rate (if over 50% of the proposed work will be performed on campus) – 55.2% of all Salaries and Wages (including student wages);
- Off-campus rate (if over 50% of the proposed work will be done off campus) – 27.5% of all Salaries and Wages.

Inflation Factors for Multi-year Projects:

It is advisable to include a 4% per year inflation factor to salaries and wages in the second and subsequent years of multi-year projects, unless sponsor guidelines state otherwise.

Cost-sharing:

This is a commitment by the university to share the total costs of a project. It can take a variety of forms; i.e., cash, in-kind services (e.g., time, equipment, supplies, etc.), waived F&A.

Requests for University cost sharing may be submitted, but approval requires support of Department Chairs and Associated Vice Chancellors. In the case of waived F&A as

cost share, printed justification (web page printout, email, letter) may be required from the sponsor stating that it will: fund a reduced F&A rate, fund F&A based on an alternate calculation, or will not fund F&A.

Matching:

This is a requirement by a funding agency for a specified percentage match in funds. For example, a 1:1 match would require the University to match the sponsor's funds on a one-for-one basis.