



MEMORANDUM

DATE: May 1, 2017

TO: Faculty & Staff, Oregon Institute of Technology

FROM: Barbara Neal, Director of Sponsored Projects & Grants Administration

SUBJECT: Treatment of Fringe Benefits Applicable to Grants and Contracts

As stated in our Indirect Cost Negotiation Agreement for use on grants, contracts, and other agreements with the Federal Government, the Oregon Institute of Technology F&A (indirect) rate from 2011-07-01 to 2016-06-30 is 50% for all programs based on the direct salaries and wages including vacation, holiday, sick pay and other paid absences but excluding all other fringe benefits. The fringe benefits are specifically identified to each employee and are charged individually as direct costs. Fringe benefits are applicable to direct salaries and wages and treated as direct costs.

While it is preferable to use actual rates for each employee, university faculty may use a fringe benefit rate for estimating direct fringe benefits on grant applications and contract proposals. The rate for estimating purposes is 40% of direct salaries and wages of faculty and staff during a 12-month academic calendar year. For employees such as graduate and undergraduate students in hourly salaries with limited benefits, the rate for estimating purposes is 10%. The rate includes all fringe benefits treated as direct costs. Oregon

Institute of Technology may negotiate a higher estimating rate on an individual grant or contract if the rate can be substantiated. For reimbursement purposes, the cost of each benefit is specifically identified to each employee.

Sincerely,

Barbara Neal, MSM, CRA
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