



Taking the Mystery out of Costing Policy

CBRs, Vacation Leave Assessment, and F&A Categories

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- Composite Benefit Rates (CBR)
- Vacation Leave Assessment (VLA)
- F&A Rates and Functions
 - On- / Off-Campus
 - Instruction, Research, Other Sponsored, & Other Institutional Activities

Composite Benefit Rates (CBR)

Composite Benefit Rates (CBR)

- How are CBRs calculated?
- Are CBRs a risk to our sponsors?
- What is the federal CBR approval status for our CBRs?
- How do we escalate the projected CBR for sponsored proposals?

CBR Calculation

CALCULATION OF CARRY FORWARD AMOUNT

	Academic & Management	Staff Exempt	Staff Non-Exempt	Students	Post Docs	Casual ¹	Grand Total
1. Fringe Benefit Cost Recovery							
Fixed Rate for FYE 2021	42.1%	52.1%	63.8%	1.6%	14.9%	4.6%	
Actual Base	33,831,820	11,912,532	18,073,064	1,111,523	119,881	1,761,796	66,810,616
Fringe Benefit Cost Recovery	14,243,196	6,206,429	11,530,615	17,784	17,862	81,043	32,096,930
2. Less: Actual Fringe Benefit Cost	14,103,450	5,792,146	10,983,611	24,277	20,422	127,632	31,051,538
Annual (Under) Over-recovery	139,746	414,283	547,005	(6,493)	(2,560)	(46,590)	1,045,392
3. Prior year (Under) Over-recovery for FY19	-	-	-	-	-	-	-
4. (Under) Over-recovery to be carried forward	139,746	414,283	547,005	(6,493)	(2,560)	(46,590)	1,045,392

CALCULATION OF FIXED RATE FOR FYE

	Academic & Management	Staff Exempt	Staff Non-Exempt	Students	Post Docs	Casual ¹	Grand Total
A. Actual Fringe Benefit Costs for FYE 2021	14,103,450	5,792,146	10,983,611	24,277	20,422	127,632	31,051,538
B1. (Under) Over-recovery (from above)	139,746	414,283	547,005	(6,493)	(2,560)	(46,590)	1,045,392
B2. Projected increase in benefit costs to FYE 2023	1,460,112	613,721	1,191,297	2,673	635	13,964	3,282,404
C. Adjusted Fringe Benefit Cost Pool	15,423,816	5,991,584	11,627,903	33,443	23,617	188,186	33,288,550
D1. Actual Base for FYE 2021	33,831,820	11,912,532	18,073,064	1,111,523	119,881	1,761,796	66,810,616
D2. Projected increase in Base for FYE 2023	4,325,195	1,522,946	2,310,533	123,286	6,807	195,411	8,484,178
D. Adjusted Salary and Wage base	38,157,015	13,435,478	20,383,597	1,234,808	126,688	1,957,208	75,294,794
E. Fixed rate for FYE 2023	40.4%	44.6%	57.0%	2.7%	18.6%	9.6%	

Carryforward Calculation

CALCULATION OF CARRY FORWARD AMOUNT

	Academic & Management	Staff Exempt	Staff Non-Exempt	Students	Post Docs	Casual ¹
1. Fringe Benefit Cost Recovery						
Fixed Rate for FYE 2021	42.1%	52.1%	63.8%	1.6%	14.9%	4.6%
Actual Base	33,831,820	11,912,532	18,073,064	1,111,523	119,881	1,761,796
Fringe Benefit Cost Recovery	14,243,196	6,206,429	11,530,615	17,784	17,862	81,043
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Annual (Under) Over-recovery	139,746	414,283	547,005	(6,493)	(2,560)	(46,590)
3. Prior year (Under) Over-recovery for FY19	-	-	-	-	-	-
4. (Under) Over-recovery to be carried forward	139,746	414,283	547,005	(6,493)	(2,560)	(46,590)

Rate Calculation

	Academic & Management	Staff Exempt	Staff Non-Exempt	Students	Post Docs	Casual ¹
CALCULATION OF FIXED RATE FOR FYE						
A. Actual Fringe Benefit Costs for FYE 2021	14,103,450	5,792,146	10,983,611	24,277	20,422	127,632
B1. (Under) Over-recovery (from above)	139,746	414,283	547,005	(6,493)	(2,560)	(46,590)
B2. Projected increase in benefit costs to FYE 2023	1,460,112	613,721	1,191,297	2,673	635	13,964
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Vacation Leave Assessment (VLA)

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- What are we budgeting for?
- How do we budget for the VLA in sponsor award proposals?

On- / Off-Campus F&A Rates

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- When is it appropriate to charge the on-campus F&A rate?
- When is it appropriate to utilize the off-campus F&A rate?
 - Off-Campus F&A Rate Questionnaire
(https://spo.berkeley.edu/policy/fa_questions.pdf)
- How do we navigate this going forward?

Activity Functions & F&A Rates

Considerations

- **Research** can mean many different things depending on the perspective. We value the contribution our faculty, researchers, students, and staff are making regardless of how the activity is defined.
 - Don't accidentally undervalue their contribution by saying they are not conducting research.
 - Do explain the research / activity they are conducting does not meet the Uniform Guidance definition of **organized research**.

Classifying Activities by Major Function

- **Major Functions of an Institution**
- **UG Appendix III (pg 196) -**
<https://www.govinfo.gov/content/pkg/CFR-2014-title2-vol1/pdf/CFR-2014-title2-vol1-part200.pdf>
 - *Instruction (IDR)*
 - Sponsored Instruction (SI)
 - Departmental Research (DR)
 - *Organized Research (OR)*
 - Sponsored Research (SR)
 - University Research (UR)
 - *Other Sponsored Activities (OSA)*
 - *Other Institutional Activities (OIA)*

Instruction

- ***Instruction (IDR)*** means the teaching and training activities of an institution, including all teaching and training activities, whether they are offered for credits toward a degree or certificate or on a non-credit basis, and whether they are offered through regular academic departments or separate divisions, such as a summer school division or an extension division.
 - ***Sponsored instruction (SI)*** and training means specific instructional or training activity established by grant, contract, or cooperative agreement.
 - ***Departmental research (DR)*** means research, development and scholarly activities that are not organized research and, consequently, are not separately budgeted and accounted for.

Organized Research

- ***Organized research (OR)*** means all research and development activities of an institution that are separately budgeted and accounted for.
 - ***Sponsored research (SR)*** means all research and development activities that are sponsored by Federal and non-Federal agencies and organizations. Including research training where such activities utilize the same facilities as other research and development activities and where such activities are not included in the instruction function.
 - ***University research (UR)*** means all research and development activities that are separately budgeted and accounted for by the institution under an internal application of institutional funds. University research, for purposes of this document, must be combined with sponsored research under the function of organized research.

Other Sponsored Activities

- ***Other sponsored activities*** means programs and projects financed by Federal and non- Federal agencies and organizations which involve the performance of work other than instruction and organized research.
 - Examples of such programs and projects are health service projects and community service programs. However, when any of these activities are undertaken by the institution without outside support, they may be classified as other institutional activities.

Other Institutional Activities

- ***Other institutional activities*** means all activities of an institution except for instruction, departmental research, organized research, and other sponsored activities, as defined in this section.
 - Examples of other institutional activities include operation of residence halls, dining halls, hospitals and clinics, student unions, intercollegiate athletics, bookstores, faculty housing, student apartments, guest houses, chapels, theaters, public museums, and other similar auxiliary enterprises. This definition also includes any other categories of activities, costs of which are “unallowable” to Federal awards, unless otherwise indicated in an award.