

Frequently Asked Questions

General

1. Where can I find more information about why this change was made?

The Office of Budget and Finance has posted Frequently Asked Questions about the advantages of uniform fringe benefits rates on their [website](#).

2. What is the difference between Uniform Fringe Benefits and Uniform Guidance?

Many research-intensive universities use uniform fringe benefits rates to budget for employee fringe benefits costs in proposals and awards. Using this method, benefit expenses are allocated as a consistent percentage of salary expenditures across all departments and funding sources. UT System will replace the method used to date, where each funding source was charged based on an individual employee's actual fringe benefit costs, with newly developed uniform fringe benefit rates in the five employee categories described in FAQ 7 below.

Uniform Guidance are rules and requirements set forth by the White House Office of Management and Budget. They establish cost principles applicable for federal awards and influence many UT fiscal policies. Uniform Guidance was originally released in 2014 and was most recently [updated in October 2024](#).

3. Does this change impact the actual benefits received by the employee?

No. Employees will not see a change in their benefits, this is simply a new method for allocating fringe benefits costs.

Submitting New Proposals

4. When should the uniform fringe benefit rates start being used in sponsored project proposal budgets?

Proposal budgets should include the new uniform fringe benefit rates effective immediately. Under the uniform fringe benefits model, the uniform rate is used year-round and there will no longer be summer vs academic time rates. Also, the uniform rates will be charged to the project, so there will no longer be individual actual rates as in years past.

5. How long will the current rates be effective?

We expect the U.S. Department of Health and Human Services (HHS) will issue an approved uniform fringe benefit rate agreement to the UT System that identifies effective dates and rate types (provisional, final, etc.). Uniform fringe benefit rates are renegotiated each year with HHS.

6. For multi-year projects, should current rates be proposed for all years?

Yes. The uniform fringe benefit rates should be proposed for all years of a project. While these rates are renegotiated annually, the changes from one year to the next will be quite small. Escalation should not be factored into fringe benefits for multi-year proposals.

7. What position types are included in each of the new uniform fringe benefit rate categories?

All employees at the University are included in the uniform fringe benefit model and have been separated into the following groups. For more information about employment types, please see policy [HR0105](#).

Categories	Position Title Examples/Description	Rate
Regular Employees	Asst./Assoc./Professor, Post-doctoral Researcher, Research Staff, etc.	34.6
Medical Residents	UTHSC and CVM only	20.1
Graduate Student Employees	9- or 12-month GRAs	10.8
Temp Employees	Part-time, hourly workers as defined in HR0105 (not-students)	6.4
Student Employees	Currently enrolled students paid hourly rates in accordance with HR0105	1.2

8. How should I budget for hourly student employees if they are taking classes while working on the project?

These students would be categorized as Student Employees and the uniform fringe benefit rate of 1.2% would apply. These students have historically been paid from GL 418XXX in IRIS.

9. Do I need to revise a proposal budget currently under review by the sponsor?

In most cases, a proposal currently under technical review by the sponsor will not require any action by the University. Should a proposal be selected for funding, the budget should be revised to incorporate the uniform fringe benefit rates during a Just-in-Time process or at time of account setup.

10. How will longevity payments be impacted by the change to uniform fringe benefit rates?

Longevity will be treated the same as it is today. Longevity payments have always been a benefit received through payroll and treated as salary. The uniform fringe benefit rates do not

include longevity payments, so longevity should be added to and proposed as part of a person's base salary.

11. What is the difference between Employee Tuition Remission and tuition for Graduate Research Assistants?

The method used to establish the uniform fringe benefit rates separated tuition benefits for full time, regular employees (remission) from tuition paid on behalf of graduate students employed at least 25% (tuition & fee waiver). For sponsored projects, tuition associated with a GRA should still be budgeted as a separate direct cost from fringe benefits.

12. How will benefits for Joint Faculty with an external entity be charged?

Joint Faculty, employed by ORNL or another external entity, are not included in the uniform fringe benefit rates model. The fringe rate applicable to those individuals will be provided by their employer. The following language for ORNL-employed Joint Faculty should be included in the budget justification to help delineate the variation in fringe rates:

"The PI/Co-PI/etc, [name], has a joint faculty appointment with the University of Tennessee in [department, college] and is an employee of UT-Battelle, LLC. Uniform fringe benefit rates negotiated for the University of Tennessee are not applied to non-employee personnel. This proposal is being submitted by the University and utilizes the PI/Co-I employer's fringe benefit rate applicable at the time of proposal."

Joint Faculty employed by the University of Tennessee should utilize the Regular Employee uniform fringe benefit rate (FAQ 7).

Accounting on Existing Awards

13. Will existing projects be charged the new uniform fringe benefit rates?

Yes. All accounts at the University will utilize the new fringe rates with the switch to DASH in January 2025. This will replace the historical practice of calculating and charging an individual's actual rate.

14. How should I account for budgetary differences on externally funded sponsored projects if the amount of fringe benefits in the existing budget is different from the uniform fringe benefits model?

In the same way that awards are managed when other costs such as tuition, salaries, supplies, etc. change, PIs should adjust spending to account for the unexpected change. Depending on the category of personnel working on the project, an increase or decrease in direct costs may

result, so it will be important for PIs to review their budgets with their department Business Managers.

15. What should be done if a project is inordinately burdened by the new fringe rates such that the project scope is compromised, and the statement of work cannot be accomplished as proposed?

If the change to uniform fringe rates impacts the budget in an unmanageable way, PIs should contact appropriate leadership in their departmental and/or college offices.

16. Do I need to revise my existing sponsored project account?

The ability to revise a sponsored project budget is detailed in the terms and conditions of the award and can vary from project to project. PIs should review their specific awards and discuss their account budgets with their department Business Managers. All award information is available to the PI and Business Managers in Cayuse. If you have any questions, please contact the DRA/OSP staff member assigned to your award.

17. If a revised budget is required to meet the terms and conditions of an award, how is that requested?

The first step in revising a budget is to complete the Award Action Form that can be found on the [Knoxville DRA](#) or the [Institute of Agriculture OSP](#) website. Additionally, a general ledger budget should be used to show the financial changes that are required for the account. Currently, the general ledger forms on the website are for the IRIS system, but soon a XLS showing the new DASH (Oracle) GL lines will be made available. More information about budget revisions in DASH will be announced soon.

18. Will the Division of Research Administration or the Office of Sponsored Programs request a revised budget?

DRA and OSP will not be proactively reviewing awards and accounts to evaluate project specific impacts of the change to uniform fringe benefit rates. PIs and Business Managers should review their specific awards, discuss budgets, and take any necessary actions. DRA and OSP will only process budget revision requests when they are required to meet the terms and conditions of relevant awards. If you have any questions, please contact the DRA/OSP staff member assigned to your award.

Other

19. How are departments impacted when an individual's actual fringe benefits are higher or lower than the uniform fringe benefit rates?

For any questions related to how unit budgets will be impacted by the change to uniform fringe benefit rates, please visit the Office and Budget & Finance [website](#).