

**LOYOLA MARYMOUNT UNIVERSITY  
POLICIES & PROCEDURES**

DEPARTMENT: CONTROLLER’S OFFICE	
SUBJECT: Fringe Benefits Rate Policy – Sponsored Projects	Page 1 of 2
	Supersedes: N/A
Effective Date: June 1, 2011	Previous Issued: N/A

**1 Statement of Policy**

**A. General**

Fringe Benefits charged to sponsored projects at LMU include costs such as employee health, life, dental and vision insurance, FICA match, worker’s compensation, disability insurance, unemployment insurance, employer assistance program, flex benefit expense, retirement and tuition remission.

The University’s cognizant agency, the Department of Health and Human Services, determines the rate the University is allowed to charge federally sponsored projects for fringe benefit costs.

It is the policy of Loyola Marymount University to include the costs of fringe benefits on all externally funded projects up to the maximum rate allowable under the sponsor’s policies.

**B. Federally Negotiated Fringe Benefits Rate**

1. Description:

- a. Loyola Marymount University’s federally negotiated Fringe Benefits Rate is 26.8% of Salaries and Wages in accordance with an agreement with the Department of Health and Human Services effective June 1, 2008. The agreement is renegotiated every 2 years.

2. Application:

- a. The Fringe Benefits Rate is applicable to all federally sponsored projects. This includes federal grants, contracts and cooperative agreements as well as all subagreements involving federal flow through funds.
- b. The University’s internal fringe benefits rate of 33% will be applied to all non-federally sponsored projects.

3. Definitions:

- a. Salaries and Wages include all full time and part time salaries for faculty and staff.
- b. Salaries and Wages exclude all graduate and undergraduate student wages, temporary help, consultant costs and any other expense not associated with the payment of wages for services.

**C. Exceptions**

Fringe benefits shall be recovered on all sponsored projects which include the charging of salaries and wages. Any exception to this policy must be approved by the Dean/Director, Chief Academic Officer and the Controller.