Section 4	Fiscal Policies	07/20/98 -Originated
Subject 4.5	Cost Accounting	09/02/11 -Reviewed w/ changes -Reviewed w/o changes
Policy 4.5.3	**Fringe Benefit Costs**	Cost Accounting -Author

Fringe Benefit Costs

Policy

The University of Texas Medical Branch will charge the actual calculated fringe benefit costs directly to expenditure accounts for all UTMB functions. When budgeting fringe benefit costs for internal accounts, external agreements, and grants and contracts, UTMB will use a stratified composite fringe benefit rate based on historical fringe benefit costs adjusted for federal or state mandated changes.

Guidelines

- Actual calculated fringe benefit costs will be charged directly to all expenditure accounts for all UTMB functions.

- For budgeting fringe benefit costs for both internal operations and external agreements, grants and contracts, UTMB will use a stratified composite fringe benefit rate. The composite fringe benefit rate will be calculated using historical cost data and will be stratified across salary groupings. The fringe benefit budget rate will include only those fringe benefit components that are recorded directly to accounts.

- The composite fringe benefit rate used for budgeting purposes will be reviewed and recalculated at the beginning of the institutional budget cycle each fiscal year. The recalculated rates will include any changes to fringe benefits made by the State of Texas legislature during biennial years, and any changes in federal payroll taxes, etc., if applicable. If revised fringe benefit rates are necessary due to either or both of these law changes, the new rates will become effective September 1 of the fiscal year.

- The Office of Budget and Planning will be responsible for reviewing and recalculating the budget fringe benefit rate. The Research Services Offices will coordinate dissemination of the revised rates to the UTMB community.