Dear Department and Program Administrators,

Many of you have seen the recent announcement of the final fringe benefit rate of 31.5% for FY 2017/18. This final rate is lower than the 31.9% rate used in the budgeting process, and will reduce the amount of benefits expense charged to your accounts.

The University Budget Office has reduced H&S' general funds allocation to reflect the lower rate and the Dean’s Office now needs to adjust department funding allocations to reflect this lower funding amount. The result of these actions will be to align department/program funding with the lower expenses you will incur during the year – a net zero effect at year-end. Please keep in mind that this is a one-time funding pullback – it does not affect the amount of your Dean’s Office allocation in future years.

During March, the Dean’s Office will identify one of your PTAs funded by general funds and initiate a journal to pull back the amount of over-funding. Your Finance liaison will notify you of the pullback amount and the basis for the calculation.

Based on how you have spread salary/benefit dollars across projects on your budget, it’s possible that we will be pulling back too much funding from one project and too little from others – but the pullback amount will be correct in total. Any surplus/deficit situation will be resolved at fiscal year-end, since each project is settled individually.

If you have questions about this process or the pullback amount, please contact your Finance liaison.