

POLICY STATEMENT 47 POLICY ON EMPLOYMENT AND INDIRECT COST RATES

POLICY DIGEST

Monitoring Unit: E o g X h O] m i o l [] J X h X `] g] h n
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I. PURPOSE

To establish a policy regulating the application of employee benefits and indirect costs in sponsored programs.

II. DEFINITIONS

- A. Employee Benefit costs are those costs associated with University employment such as University contributions to the Retirement System, Social Security, and group life and hospitalization programs. In addition, such costs as workmen's compensation and minor costs as the subsidy of Faculty Club operations are also included. The rate is computed by dividing these costs by the total expended for personal services, including student wages.

Because the University does not record costs incident to the accumulation of sick and annual leave credits, these substantial costs are not a factor in the calculation of employee benefit costs.

- B. Indirect Costs are those costs associated with the provision of space, utilities, library support, use of departmental equipment, departmental and general University administration

A. Employee benefits.

1. In no case will employee benefits be waived or costshared.

B. Indirect Costs

1. Indirect costs will not be waived, reduced or cost shared unless there are compelling academic or public service reasons. Variations from normal application must be approved by the Chancellor or his designee.