Grants Benefit Rate Guide

Benefit Rates for Fiscal Year 2020	
All Grant Funds (Applicable for all Business Units)	
FICA *(GL Account 710050)*	**7.65%**
Grant Benefit Rate *(GL Account 710015)*	**26.77% - TBD***

*The grant rate has not been finalized and is subject to change until agreed upon by UM and the cognizant federal agency (DHHS).

General Ledger

All University employees have their benefits calculated with the pay-based and per-person components using GL Accounts 710025 and 710010 for each pay period. The federal government requires that the benefit rate for federally funded grants be a percentage of salary. In lieu of a pay-based component and a per-person component, all University grant funds (Fund 2100-2299) are charged the federally negotiated benefit rate using GL Account 710015. A special allocation is ran in PeopleSoft Finance for all grant paid positions to back out the pay-based and per-person benefits initially calculated out of payroll and recalculates the benefit rate based on the federally negotiated rate using the alternate GL Account.

Example:
John Smith is a monthly employee paid 100% from a grant chartfield.

Name	Account	Fund	Deptid	Program	Class	Project	Code	Earnings	Benefits
Smith,John	702500	2100	C1532057	0	0	00049579	REX	4,075.03	0.00
Smith,John	710010	2100	C1532057	0	0	00049579	BEN	0.00	833.33
Smith,John	710025	2100	C1532057	0	0	00049579	BEN	0.00	579.47
Smith,John	710050	2100	C1532057	0	0	00049579	BEN	0.00	304.41
Apply Grants Benefit Rate	710015	2100	C1532057	0	0	00049579		0.00	1,090.89
Reverse Grants Benefits	710010	2100	C1532057	0	0	00049579		0.00	(833.33)
Reverse Grants Benefits	710025	2100	C1532057	0	0	00049579		0.00	(579.47)

Note: Both benefit rate components are initially calculated using the rates for a Columbia employee. The per-person component for one pay period ($833.33) is charged 100% against the chartfields above. The pay-based component is calculated by taking 14.22% x $4,075.03 (PEN eligible wages) coded to the REX earn code. Allocation journals (ALO source) reverse the original benefit calculation and apply the applicable grant rate by taking 26.77% x $4,075.03 (PEN eligible wages). The allocations are calculated at the chartfield level and will be a summary of all the employees on a chartfield for a specific pay period.

Calculations:
Total Earnings: $4,075.03
- C1532057-00049579: $4,075.03 / $4,075.03 (100%)

Grant Rate: C1532057-00049579: $4,075.03 x 26.77% = $1,090.89

Example:

Jane Smith is a monthly employee split-funded between grant and non-grant chartfields within the same Business Unit.

Name	Account	Fund	Deptid	Program	Class	Project	Code	Earnings	Benefits
Smith,Jane	705000	0000	K1707000	0	0	00	REX	3,135.21	0.00
Smith,Jane	710010	0000	K1707000	0	0	00	BEN	0.00	416.67
Smith,Jane	710025	0000	K1707000	0	0	00	BEN	0.00	445.83
Smith,Jane	710050	0000	K1707000	0	0	00	BEN	0.00	230.20
Smith,Jane	705000	2100	K1707050	0	0	00061724	REX	3,135.21	0.00
Smith,Jane	710010	2100	K1707050	0	0	00061724	BEN	0.00	416.66
Smith,Jane	710025	2100	K1707050	0	0	00061724	BEN	0.00	445.83
Smith,Jane	710050	2100	K1707050	0	0	00061724	BEN	0.00	230.21
Apply Grants Benefit Rate	710015	2100	K1707050	0	0	00061724		0.00	839.30
Reverse Grants Benefits	710010	2100	K1707050	0	0	00061724		0.00	(416.66)
Reverse Grants Benefits	710025	2100	K1707050	0	0	00061724		0.00	(445.83)

Note: Both benefit rate components are initially calculated using the rates for a Kansas City employee. The per-person component for one pay period ($833.33) is split among the two chartfields based on the percentage of the employee's total pay allocated to each chartfield. The pay-based component is calculated by taking 14.22% x each of the PEN eligible wages coded to the REX earn code and charged against each chartfield. Allocation journals (ALO source) reverse the original benefit calculation on grant funds and apply the applicable grant rate by taking 26.77% x $3,135.21 (PEN eligible wages on grant funds).

Calculations:
Total Earnings: $6,270.42 ($3,135.21 + $3,135.21 = $6,270.42)
- K1707000-00: $3,135.21 / $6,270.42 (50%)
- K1707050-00061724: $3,135.21 / $6,270.42 (50%)

Per-person Rate: K1707000-00 ($833.33 x 50%) = $416.67; K1707050-00061724 ($833.33 x 50%) = $416.66
Pay-based Rate: K1707000-00 ($3,135.21 x 14.22%) = $445.83; K1707050-00061724 ($3,135.21 x 14.22%) = $445.83
Grant Rate: K1707050-00061724: $3,135.21 x 26.77% = $839.30

Example:

John Doe is a monthly employee paid 100% from a cost share chartfield (grant project outside of fund 2100-2299).

Name	Account	Fund	Deptid	Program	Class	Project	Code	Earnings	Benefits
Doe,John	705000	0000	R2008009	0	0	00063962	REX	4,403.96	0.00
Doe,John	710010	0000	R2008009	0	0	00063962	BEN	0.00	833.33
Doe,John	710025	0000	R2008009	0	0	00063962	BEN	0.00	626.24
Doe,John	710050	0000	R2008009	0	0	00063962	BEN	0.00	306.54
Apply Cost Share Benefit Rate	710015	0000	R2008009	0	0	00		0.00	(1,178.94)
Apply Cost Share Benefit Rate	710015	0000	R2008009	0	0	00063962		0.00	1,178.94
Reverse Cost Share Benefits	710010	0000	R2008009	0	0	00		0.00	833.33
Reverse Cost Share Benefits	710010	0000	R2008009	0	0	00063962		0.00	(833.33)
Reverse Cost Share Benefits	710025	0000	R2008009	0	0	00		0.00	626.24
Reverse Cost Share Benefits	710025	0000	R2008009	0	0	00063962		0.00	(626.24)

Note: Both benefit rate components are initially calculated using the rates for a Rolla employee. The per-person component for one pay period ($833.33) is charged 100% against the chartfield above. The pay-based component is calculated by taking 14.22% x $4,403.96 (PEN eligible wages) coded to the REX earn code. Expenditures on cost share chartfields must be treated in the same manner as sponsor funded chartfields so automatic entries are made to adjust benefits to the grant benefit rate. Allocation journals first move the original benefit calculation (per-person and pay-based components) to project 00 of the same chartfield. A second entry charges the grant benefit rate to the cost share chartfield using GL Account 710015 and credits project 00. The project 00 chartfield is responsible for the difference between the original benefit calculation (per-person and pay based components) and the grant rate. At the DeptID level, benefits will appear in accounts 710010 and 710025 as account 710015 nets to zero between project 00 and 00063962.

Calculations:
Total Earnings: $4,403.96
- R2008009-00063962: $4,403.96 / $4,403.96 (100%)

Per-person Rate: R2008009-00 ($833.33 x 100%) = $833.33 (Initially charged to project 00063962, but moved to 00)
Pay-based Rate: R2008009-00 ($4,403.96 x 14.22%) = $626.24 (Initially charged to project 00063962, but moved to 00)
Grant Rate: R2008009-00063962 (4,403.96 x 26.77%) = $1,178.94

Total benefits for employee: $833.33 + $626.24 + $1,178.94 - $1,178.94 = $1,459.57 (Only $1,178.94 is allowable for cost share. Project 00 is responsible for the difference of $280.63)

Payroll Correcting Entry (PCE)

Retroactive payroll adjustments are made through the FIN Journal Entry application by clicking on the Create Payroll Correction button. Only the wage lines selected for a correction will be returned and new wage lines may be entered. The employee benefit lines, including the pay-based and per-person components, will automatically calculate based on the percentage of the employee's wages being corrected.

Example:

John Williams is a monthly employee and needs 100% of his pay moved to a grant chartfield.

JOURNAL ENTRY

Fiscal Year: 2019
Journal Id: 0011877115
Source: PCE

Type of Transaction: Payroll Correction
Journal Status: Edit Req'd
Budget Status: Not Chk'd

Journal Date: 03-28-2019
Preparer: CONTROLR
Transaction Date: 03-28-2019
Posted Date: n/a

Ln	MoCode	Account	BU	Fund	Deptid	Pgm	Project	Class	Debit	Credit	Empl Rcd	Ern Cd	Job Cd
1	S0000	705000	STLOU	0000	S0101001	0	00	0	0.00	3659.25	0	REX	4627
2	SC854	705000	STLOU	2285	S0105046	0	00055668	0	3659.25		0	REX	4627
3	S0000	710050	STLOU	0000	S0101001	0	00	0	0.00	264.04	0	REX	4627
4	S0000	710025	STLOU	0000	S0101001	0	00	0	0.00	520.35	0	REX	4627
5	S0000	710010	STLOU	0000	S0101001	0	00	0	0.00	833.33	0	REX	4627
6	SC854	710050	STLOU	2285	S0105046	0	00055668	0	264.04	0.00	0	REX	4627
7	SC854	710025	STLOU	2285	S0105046	0	00055668	0	520.35	0.00	0	REX	4627
8	SC854	710010	STLOU	2285	S0105046	0	00055668	0	833.33	0.00	0	REX	4627

TOTAL DEBITS $5,276.97 $5,276.97 TOTAL CREDITS

MOVE EXPENSE TO/ MOVE EXPENSE FROM/
MOVE REVENUE FROM MOVE REVENUE TO

Note: The REX wage line is the only line open for correction with 100% of earnings being credited and moved to a new chartfield on the St. Louis Business Unit.

Calculations:

Total Earnings: $3,659.25
- S0101001-00: $3,659.25 / 3,659.25 (100%)

Pay-based Rate: S0101001-00 ($3,659.25 x 14.22%) = $520.35
Per-person Rate: S0101001-00 ($833.33 x 100%) = $833.33

Name	Account	Fund	Deptid	Program	Class	Project	Code	Earnings	Benefits
Williams,John	705000	0000	S0101001	0	0	00	REX	3,659.25	0.00
Williams,John	710010	0000	S0101001	0	0	00	BEN	0.00	833.33
Williams,John	710025	0000	S0101001	0	0	00	BEN	0.00	520.35
Williams,John	710050	0000	S0101001	0	0	00	BEN	0.00	264.04
Williams,John	705000	0000	S0101001	0	0	00	REX	(3,659.25)	0.00
Williams,John	710010	0000	S0101001	0	0	00	BEN	0.00	(833.33)
Williams,John	710025	0000	S0101001	0	0	00	BEN	0.00	(520.35)
Williams,John	710050	0000	S0101001	0	0	00	BEN	0.00	(264.04)
Williams,John	705000	2285	S0105046	0	0	00055668	REX	3,659.25	0.00
Williams,John	710010	2285	S0105046	0	0	00055668	BEN	0.00	833.33
Williams,John	710025	2285	S0105046	0	0	00055668	BEN	0.00	520.35
Williams,John	710050	2285	S0105046	0	0	00055668	BEN	0.00	264.04
Reverse Grants Benefits-PCE	710010	2285	S0105046	0	0	00055668		0.00	(833.33)
Reverse Grants Benefits-PCE	710025	2285	S0105046	0	0	00055668		0.00	(520.35)
Apply Grants Benefit Rate-PCE	710015	2285	S0105046	0	0	00055668		0.00	979.58

Note: The employee benefit lines, including the pay-based and per-person components, are calculated based on the percentage of wages being moved to a different chartfield. These lines are automatically created on the PCE journal. The PCE application always calculates benefits using accounts 710010 and 710025 regardless of the funding source. If the PCE impacts a grant project, an allocation journal will be created to reverse the original benefit calculation and charge the grant rate using account 710015.

Calculations:

Total Earnings: $3,659.25
- S0105046-00055668: $3,659.25 / $3,659.25 (100%)

Grant Rate: ($3,659.25 * 26.77%) = $979.58

Additional Resources

For additional information regarding the benefit rates, please visit the [Benefit Rate Charges](#) webpage at [www.umsystem.edu/ums/fa/controller/benefit_rate](#).

Historical grant benefit rates can be found on the [F&A/Fringe Benefit Rate Agreement](#) webpage at [https://www.umsystem.edu/ums/fa/controller/cost-analysis-farate](#).

A complete listing of Earnings Code Descriptions, including those that are pension eligible (PEN), can be found on the [Campus Payroll Information](#) page on the Controller's webpage or you can click [here](#).

_____

*** FICA is calculated on an employee's total gross pay, so the 7.65% rate may not be visible in the examples above and therefore, not included in the calculations. For 2019, the wage base limit to collect FICA is $132,900.*