

LSU Faculty Senate Resolution 07–07:

Fringe Benefits Rates for Sponsored Projects

Sponsored by Vincent LiCata and Steven Hand

*Whereas* federal and state funding agencies, when granting funds for a multi-year award, most often allocate such funds in equal yearly increments; and

*Whereas* the LSU Office of Finance and Administrative Services has announced a plan to apply updated, annual Fringe Benefits rates to both new and *existing* sponsored program accounts each year; and

*Whereas* the previous Fringe Benefits policy effectively “locked in” a Fringe Benefits rate for the full duration of a grant at the time of application by applying updated rates only to new applications; and

*Whereas* the new policy will result in a progressive decrease in the remaining portion of funds available for research with each successive year for grants allocated in equal annual increments; and

*Whereas* such a policy would be unintentionally detrimental to the conduct of high quality research at LSU by requiring Investigators to successively decrease the funds available in other budget categories in order to compensate for the increasing Fringe Benefits rate in addition to its associated additional indirect cost expense; and

*Whereas* re-instatement of the previous Fringe Benefits rate policy would make it significantly easier to budget multi-year grants, would further support the research effort of the university, and would thus contribute positively and tangibly to the LSU National Flagship Agenda;

*Therefore be it resolved* that the LSU Faculty Senate recommends revocation of the new Fringe Benefits policy regarding annually updated rates for existing sponsored projects, and requests a reinstatement of a Fringe Benefits policy that locks in Fringe Benefits rates for the duration of the grant at the time of application.