MONTHLY BUSINESS MANAGERS’ MEETING

“NEW PROCEDURES FOR DEPARTMENTAL TRANSMITTALS”
“OVERVIEW OF FRINGE BENEFITS, INSTITUTIONAL SPACE SURVEY, F&A RATE CALCULATION, AND EQUIPMENT OBJECT CODES”

Tuesday, November 13, 2012
9:30 am – 11:00 am
LSU Student Union – Atchafalaya Room

Presented by Accounting Services
Announcements

- There will be no meeting in January 2013.
New Procedures for Departmental Transmittals (DTs)

Larry Butcher

Bursar Operations
Signature Requirements

- Two signatures required to certify:
  - Appropriateness
  - Validity
  - Accuracy

- Independent second-level approval within the generating department

- Names printed legibly next to signatures
Documentation Requirements

- Original documents attached to support purpose and source of deposit
  - Taped or copied to letter size white paper
  - DT entry number written on each page
  - Clear description of purpose in “Comments” on entry header

- DT entry and supporting documents will be imaged then shredded
# Documentation Requirements

## Deposits
- Check stubs
- Relevant documentation substantiating payment

## Accounts Receivable
- University authorization to assess fees/charges
- Other documentation to support/explain the transaction
Questions

Bursar Operations
125 Thomas Boyd Hall
http://www.fas.lsu.edu/AcctServices/bur/

Dorothy Starns
(225) 578-3377
dsstarns@lsu.edu
Graduate Assistant Tuition Remission & Fringe Benefit Rates

Elahe Russell

Financial Accounting & Reporting
Definitions

- **Tuition Remission (Exemption)** – benefit provided by the institution whereby resident tuition for full-time Graduate Assistants is exempted

- **Fringe Benefit** – support provided by the institution towards the cost of the Student Health Insurance for full-time Graduate Assistants
<table>
<thead>
<tr>
<th>Date</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Feb 20, 2003</td>
<td>Board of Supervisors approved a Graduated Implementation of the Graduate Assistant Tuition Exemption</td>
</tr>
<tr>
<td>Fall 2003</td>
<td>33% Tuition Exemption Implemented</td>
</tr>
<tr>
<td>Fall 2004</td>
<td>67% Tuition Exemption Implemented</td>
</tr>
<tr>
<td>Fall 2005</td>
<td>100% Tuition Exemption Implemented</td>
</tr>
<tr>
<td>Jul 1, 2007</td>
<td>The Office of Academic Affairs Approved Funding to Support a Health Insurance Supplement of $350 per Fall and Spring for Graduate Assistants and Fellows</td>
</tr>
<tr>
<td>Jan 1, 2012</td>
<td>All Proposals Required to Include Tuition Remission and Fringe Benefit Rates for Graduate Assistants</td>
</tr>
<tr>
<td>Jul 1, 2012</td>
<td>Tuition Remission and Fringe Benefit Rates Applied to New and Existing Gift, Expired Fixed Price, Rebate and Technology Transfer Accounts</td>
</tr>
</tbody>
</table>
Criteria for Eligibility

- Enrolled full-time
  - 9 hours or more Fall/Spring
  - 6 hours or more Summer

- Appointed to object code 1230 at 50% effort on or before:
  - October 1 - Fall
  - March 1 - Spring
  - July 1 – Summer
Fringe Benefit Rate

\[
\frac{\text{Total Institutional Health Insurance Supplement Expenditures}}{\text{Total Graduate Assistant Wages}} = \frac{1,000,324}{35,315,480} = 2.83\% \approx 3.00\%
\]

Based on FY 2011 Data:

Charged on object code 6805
Tuition Remission Rate

Step 1:

\[
\frac{\text{Total Institutional Tuition Remission Expenditures}}{\text{Total Graduate Assistant Wages}}
\]

Based on FY 11 Data:

\[
\frac{\$10,869,792}{\$35,315,480} = 30.78\%
\]

Charged on object code 6900
Tuition Remission Rate

Step 2:

- Analyzed tuition remission expenditures
  - Gathered detail information by student
  - Excluded students that did not receive tuition remission benefit
  - Calculated tuition remission rates by College
Tuition Remission Rate by College

- Negotiated Rate: 26.00%
- Minimum: 26.72%
- Average: 31.76%
- Maximum: 78.23%
Tuition Remission Trends

- 2009: 21.83%
- 2010: 27.06%
- 2011: 30.78%
Fringe Benefit Rate & Institutional Space Survey

Eddie Parfait

Financial Accounting & Reporting
Fringe Benefit Rate

- **Definition**: rate applied to grants and contracts for fringe benefits provided to employees paid with external funds.

- Negotiated annually with Department of Health and Human Services (Division of Cost Allocation).

- **Rates**
  - LSU (includes PBRC and Law Center)
  - Ag Center Non-Federal Employees
  - Ag Center Federal Employees
Fringe Benefit Rate

- Actual Expenses
  - Two years prior (i.e. FY 10 actual for FY 12 rate)

- Projections
  - Health insurance
  - Retirement contributions (employer share)
  - S&W – raises

- LSU Policy
  - Applies to new and existing sponsored agreements – including gifts and expired fixed price contracts
Fringe Benefit Rate Calculation

\[
\frac{\text{Fringe Benefit Expenditures}}{\text{Salary and Wage Base}}
\]

FY 11 Data:

\[
\frac{\text{Fringes}}{\text{S&W}} = \frac{139,615,668}{342,442,144} = 40.8\%
\]
Fringe Benefits (Numerator)

- Retirement
- Health and Life Insurance
- FICA (Social Security and Medicare)
- Unemployment Compensation
- Worker’s Compensation
- Deferred Compensation
- Termination Pay
- Sabbatical Leave
- Employee Tuition Exemption
Salary & Wage Base (Denominator)

- Exclusions
  - F or J Visa Employees
  - Transient Employees
  - Graduate Assistants (GAs)
  - Student Workers
  - WAE employees
  - Salaries not subject to retirement (OBJ 1090)
Fringe Benefit Rate Trends
Space Survey

? **Who** – Academic departments, administrative offices, and research intensive units

? **What** – State and federal regulatory requirement to maintain an accurate inventory of space to support requests for federal funding, new construction and renovation project funding

? **When** – Ongoing

? **Where** – Surveys take place in departmental space

? **Why** – Space statistics used in F&A proposal and Board of Regents Funding Formula
# Space Survey Form

## LSU - BATON ROUGE

**FY 2011 & FY 2012 SPACE INVENTORY ROOM SURVEY FORM**

<table>
<thead>
<tr>
<th>Building:</th>
<th>Functional Usage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Room Number:</td>
<td>Instruction/Department Research</td>
</tr>
<tr>
<td>Square Footage:</td>
<td>Sponsored Research</td>
</tr>
<tr>
<td>Room Type:</td>
<td>Other Sponsored Activities</td>
</tr>
<tr>
<td>College:</td>
<td>Joint Benefit Space</td>
</tr>
<tr>
<td>Department:</td>
<td>AG Center Sponsored Research</td>
</tr>
<tr>
<td></td>
<td>AG Center Other Sponsored Activities</td>
</tr>
<tr>
<td>Account Information</td>
<td>Other Institutional Activities</td>
</tr>
<tr>
<td>University Accounts</td>
<td>Department Administration</td>
</tr>
<tr>
<td>Purpose</td>
<td>Specialized Service Facilities</td>
</tr>
<tr>
<td></td>
<td>Library</td>
</tr>
<tr>
<td></td>
<td>Operation and Maintenance</td>
</tr>
<tr>
<td></td>
<td>General and Administrative</td>
</tr>
<tr>
<td></td>
<td>Sponsored Projects Administration</td>
</tr>
<tr>
<td></td>
<td>Student Administrative Services</td>
</tr>
<tr>
<td></td>
<td>Vacant</td>
</tr>
<tr>
<td></td>
<td>GRAND TOTAL</td>
</tr>
</tbody>
</table>

### Room Occupants

<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### Comments:

Department Representative: Date:  
Space Surveyor:  
AnVista & Associates, Inc. Use Both of Form if Necessary
<table>
<thead>
<tr>
<th>Academic Research Units</th>
<th>College of Humanities &amp; Social Sciences</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administrative Units</td>
<td>Graduate School</td>
</tr>
<tr>
<td>College of Engineering</td>
<td>Louisiana Sea Grant</td>
</tr>
<tr>
<td>E.J. Ourso College of Business</td>
<td>Office of Strategic Initiatives</td>
</tr>
<tr>
<td>School of the Coast &amp; Environment</td>
<td></td>
</tr>
</tbody>
</table>
Space Survey

- Focus
  - Functionlalize room inventory into A-21 categories
  - Sponsored Research (SR) vs. Departmental Research
  - Assign account numbers and occupants to SR rooms
  - Review and update floor plans

Instruction/Departmental Research?  Other Sponsored Activity?  Sponsored Research?

Other Institutional Activity?
Space Survey

- Process
  - Departmental interviews
  - Complete survey form for each room on inventory
  - Document room type and functional use
  - Research inventory discrepancies
  - Input data into University database (FAC)

Instruction/Departmental Research?  Sponsored Research?  Other Institutional Activity?
Facilities & Administrative (F&A) Rate Calculation

Hope Rispone

Financial Accounting & Reporting
F&A Rate Calculation Process

- Where do we begin?
- How do we manipulate the data?
- How is the F&A rate calculated?
- How do we negotiate the rate?
Where Do We Begin?

- CRIS software
  - Used by >100 of top research universities

- Financial information – 5 main sources
  - Account detail file (expenditure detail)
  - Payroll file
  - Building value file
  - Equipment inventory file
  - Space inventory file
How Do We Manipulate the Data?

- Exclusions
  - COGS, entertainment, scholarships, sub-K >25K

- Adjustments/Transfers
  - Depreciation, cost sharing

- Account Mapping
  - “Scrubbing” the accounts
  - Direct/Indirect cost pools

- Allocations
### How is the F&A rate calculated?

### LOUISIANA STATE UNIVERSITY & A&M COLLEGE

**FYE JUNE 30, 2007**

**Stepdown Schedule**

<table>
<thead>
<tr>
<th>Cost Group</th>
<th>Total Cost</th>
<th>BLDG</th>
<th>EQUIP</th>
<th>INT</th>
<th>OM</th>
<th>GA</th>
<th>DA</th>
<th>SPA</th>
<th>SSA</th>
<th>LIB</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INDIRECT POOLS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>01 BUILDING &amp; IMPR DEPR</td>
<td>17,362,029</td>
<td>-17,362,029</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>05 EQUIPMENT DEPR</td>
<td>13,409,285</td>
<td></td>
<td>-13,409,285</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<td></td>
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<tr>
<td>15 INTEREST</td>
<td>2,113,921</td>
<td></td>
<td></td>
<td>-2,113,921</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>20 OPERATIONS &amp; MAINT</td>
<td>81,447,572</td>
<td>356,163</td>
<td>378,813</td>
<td>739,711</td>
<td>-83,220,259</td>
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<td></td>
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<tr>
<td>25 GENERAL ADMIN</td>
<td>29,805,414</td>
<td>224,111</td>
<td>3,248,480</td>
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<td>2,544,992</td>
<td>-55,822,997</td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>30 DEPARTMENTAL ADMIN</td>
<td>72,290,085</td>
<td>1,040,830</td>
<td>1,312,134</td>
<td>210,559</td>
<td>8,714,496</td>
<td>3,691,860</td>
<td>-65,269,963</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>35 SPONSORED PROJ ADMIN</td>
<td>4,573,858</td>
<td>9,215</td>
<td>9,631</td>
<td>161,891</td>
<td>283,146</td>
<td>-5,047,741</td>
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<td></td>
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<tr>
<td>40 STUDENT SRVS ADMIN</td>
<td>15,109,022</td>
<td>119,026</td>
<td>317,617</td>
<td>12,834</td>
<td>1,299,645</td>
<td>1,031,322</td>
<td>-17,960,646</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>45 LIBRARY</td>
<td>16,546,039</td>
<td>578,489</td>
<td>113,378</td>
<td>5,609,836</td>
<td>1,246,939</td>
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<td></td>
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<td>-20,093,681</td>
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</tr>
<tr>
<td><strong>DIRECT BASES</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>50 INSTR &amp; DEPT RESRCH</td>
<td>233,426,233</td>
<td>4,857,443</td>
<td>3,278,949</td>
<td>521,096</td>
<td>26,046,101</td>
<td>15,933,119</td>
<td>46,580,889</td>
<td>1,095,241</td>
<td>17,960,646</td>
<td>18,201,369</td>
<td>366,920,078</td>
</tr>
<tr>
<td>57 AG CTR ALL PROGRAMS</td>
<td>88,330,679</td>
<td>1,373,819</td>
<td>1,412,620</td>
<td>111,806</td>
<td>7,405,419</td>
<td>2,002,003</td>
<td>23,421,105</td>
<td>751,440</td>
<td>124,778,800</td>
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<td></td>
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<tr>
<td>60 OTHER SPONS ACTIVITY</td>
<td>18,025,630</td>
<td>366,207</td>
<td>59,109</td>
<td>15,989</td>
<td>943,622</td>
<td>1,230,392</td>
<td>2,565,220</td>
<td>695,038</td>
<td>512,714</td>
<td>24,415,921</td>
<td></td>
</tr>
<tr>
<td>70 OTHER INST ACTIVITY</td>
<td>100,046,207</td>
<td>6,015,323</td>
<td>1,506,393</td>
<td>142,731</td>
<td>20,547,265</td>
<td>6,758,084</td>
<td>72,530</td>
<td>4,614,429</td>
<td>139,764,962</td>
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<tr>
<td><strong>TOTAL</strong></td>
<td>771,836,294</td>
<td></td>
<td>12</td>
<td>1</td>
<td>38</td>
<td>-1</td>
<td>1</td>
<td>-1</td>
<td>771,836,340</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**04/09/2008 13:24:08**

Menu Option 4.3.5
## Rate Schedule By Direct Group, Indirect Group Report

### Direct Cost Group: 55 — ORGANIZED RESEARCH

<table>
<thead>
<tr>
<th>Indirect Cost Group</th>
<th>Base Indicator</th>
<th>Base Amount</th>
<th>Allocated Amount</th>
<th>Rate</th>
<th>Capped Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Administrative</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25 — GENERAL ADMIN</td>
<td>All</td>
<td>77,379,160</td>
<td>3,646,131</td>
<td>4.71</td>
<td></td>
</tr>
<tr>
<td>30 — DEPARTMENTAL ADMIN</td>
<td>All</td>
<td>77,379,160</td>
<td>14,620,220</td>
<td>18.89</td>
<td></td>
</tr>
<tr>
<td>35 — SPONSORED PROJ ADMIN</td>
<td>All</td>
<td>77,379,160</td>
<td>2,506,021</td>
<td>3.24</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal For Administrative</strong></td>
<td></td>
<td></td>
<td>20,772,372</td>
<td>26.84</td>
<td>26.00</td>
</tr>
<tr>
<td><strong>Facilities</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>01 — BUILDING &amp; IMPR DEPR</td>
<td>On</td>
<td>73,239,239</td>
<td>2,121,399</td>
<td>2.90</td>
<td></td>
</tr>
<tr>
<td>05 — EQUIPMENT DEPR</td>
<td>On</td>
<td>73,239,239</td>
<td>1,704,344</td>
<td>2.33</td>
<td></td>
</tr>
<tr>
<td>15 — INTEREST</td>
<td>On</td>
<td>73,239,239</td>
<td>359,094</td>
<td>0.49</td>
<td></td>
</tr>
<tr>
<td>20 — OPERATIONS &amp; MAINT</td>
<td>On</td>
<td>73,239,239</td>
<td>10,857,031</td>
<td>14.82</td>
<td></td>
</tr>
<tr>
<td>45 — LIBRARY</td>
<td>On</td>
<td>73,239,239</td>
<td>2,766,179</td>
<td>3.78</td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal For Facilities</strong></td>
<td></td>
<td></td>
<td>17,807,047</td>
<td>24.32</td>
<td>24.32</td>
</tr>
<tr>
<td><strong>On Campus Rate:</strong></td>
<td></td>
<td></td>
<td></td>
<td>51.16</td>
<td>50.32</td>
</tr>
<tr>
<td><strong>Off Campus Rate:</strong></td>
<td></td>
<td></td>
<td></td>
<td>26.84</td>
<td>26.00</td>
</tr>
</tbody>
</table>
How Do We Negotiate the Rate?

- Submit F&A report to cognizant agency
  - Department of Health & Human Services (DHH)
    - Division of Cost Allocation
- DHH reviews for accuracy
  - Additional information requests
- Negotiate with DHH
  - Usually includes a site visit
- LSU and DHH agree on a rate
Equipment Object Codes
Equipment Object Codes

- Updated November 2005 to comply with definitional differences of equipment:
  - $1,000 - State of Louisiana
  - $5,000 - Federal Government
Equipment Example

- 4250 Operating Supplies – Instruction, Research, and Public Service

- 7380 Boats and Aircraft – Less than $5,000

- 7385 Boats and Aircraft – $5,000 or greater
Cost of materials and supplies used to fabricate a piece of equipment

7490 Components – Equipment Construction < $5,000
7495 Components – Equipment Construction ≥ $5,000

Upon completion, notify Property Management to have the equipment tagged and recorded in the University’s movable equipment inventory records.
Questions

Financial Accounting & Reporting
204 Thomas Boyd Hall
(225) 578-3321

http://www.fas.lsu.edu/AcctServices/far_b/