LOUISIANA STATE UNIVERSITY

Finance & Administrative Services

March 26, 2008

To: Chancellor Jenkins
Chancellor Richardson
Executive Director Bouchard
Deans, Directors, and Department Heads

Re: Fringe Benefit Rates Applied to Sponsored Projects during FY 2008-09

Fringe benefits rates have been established for next fiscal year pursuant to the requirements of the Office of Management and Budget Circular A-21, "Cost Principles for Educational Institutions." The rates effective for July 1, 2008 through June 30, 2009 are as follows:

Louisiana State University, including the Pennington Biomedical Research Center	
Regular employees	34.00%
Contingent labor/transients (object 1220/1250)	7.65%
Non-student employees with "F" or "J" visa* (object 1100)	0.00%
LSU Agricultural Center	
Regular employees	34.00%
Federal employees	29.00%
Contingent labor/transients (object 1220/1250)	7.65%
Non-student employees with "F" or "J" visa (object 1100)	0.00%

These rates are effective for all new awards dated July 1, 2008 and thereafter. Consequently, effective immediately, the new rates must be applied to all new proposals for projects with a beginning date of July, 2008 and thereafter. The new rates must also be applied to requests for new, supplemental funding to existing awards. In addition, these increased fringe benefit rates will apply to all existing gift accounts and to all expired fixed price agreements effective July 1, 2008.

LSU's fringe benefit policy provides that the rates established annually apply to all sponsored program accounts. Thus, the rates indicated above will apply to both new and existing LSU sponsored program accounts effective July 1, 2008. Given the historical increases in fringe benefit costs, we anticipate that for several years beyond fiscal 2008-09, potential increases of 1% per year may be experienced. Thus, all new multi-year proposals should budget accordingly for such anticipated increases in fringe benefit rates. Please note that the policies of the LSU Agricultural Center and the Pennington Biomedical Research Center do **not** currently provide for annual increases in the fringe benefit rate for **existing** sponsored program accounts.

If clarification or additional information is needed, please contact Jim Bates, LSU (578-3386); Mark Legendre, LSUAC (578-4164); or Ralph Underwood, PBRC (763-2515).

Jerry J. Baudin
Vice Chancellor for Finance and Administrative Services
and Comptroller

Brooks Keel
Vice Chancellor for Research
and Economic Development

*excluding PBRC (rate is 34.00%)

xc: Executive Vice Chancellor and Provost Dr. Astrid Merget, Mr. Ralph Underwood, Mr. Mark Legendre, Ms. Donna Torres, Mr. Jim Bates, Ms. Patricia Territo, ASP Members