**University of Arizona**

**Budget Narrative**

Academic faculty and graduate student employee year is broken into academic and summer terms. The academic term is 1600 hours spanning a 9-month period. The summer term is a maximum of 456 hours over approximately 3 months. The academic faculty summer rate is calculated by taking the base salary \* .000731. Graduate students work at 0.50 FTE during the academic year (800 hrs.) and 420 hours for the summer term. Hourly rates for other named staff are calculated by dividing the annual salary by 2088 hours, or the average amount of available work hours in a fiscal year. The fiscal year runs from July 1st to June 30th, and while the hours in a fiscal year varies slightly, we used the average of 2088 hours in our calculations. Salaries are based on actual salaries and are projected to include a 3% annual cost-of-living adjustment (and merit, if applicable) effective each year.

1. Senior/Key Personnel
2. PI XXX
3. Co-PI XXX
4. Other Personnel
   1. Post Doctoral Scholars
   2. Other Professionals
   3. Graduate Students
   4. Undergraduate Students
5. Fringe Benefits

The University of Arizona defines fringe benefits as direct costs and estimates benefits as a standard percent of salary applied uniformly to all types sponsored activities, and charges benefits to sponsors in accordance with the Federally-negotiated rates in effect at the time salaries are incurred. The rates used in the proposal budget are based on the current Federally-negotiated Rate Agreement rate. The rates are as follows: Faculty – 32.0%. Staff – 32.0%. Ancillary Faculty – 17.1%. Graduate Students – 13.2%, Student Employees – 2.0%. Current DHHS-approved rates for faculty, research staff and students can be accessed via this link: <https://www.fso.arizona.edu/financial-management/ere-rates>

1. Equipment
2. Travel
3. Domestic:
4. Foreign:
5. Participant/Trainee Support Costs
6. Tuition/fee/health insurance
7. Stipends
8. Travel
9. Subsistence
10. Other Direct costs
    1. Materials and supplies:
    2. Publication costs:
    3. Consultant services:
    4. Computer Services:
    5. Subawards/Consortiums:
    6. Equipment rental:
    7. Alterations and Renovations
    8. Graduate Tuition Remission: Graduate tuition remission is a mandatory benefit that is charged in proportion to the amount of effort a graduate student will work on the project. For a graduate student budgeted at 0.50 FTE or greater, tuition remission is calculated at a rate of $6,359 per academic semester ($12,718 per academic year). An 8% inflationary increase is applied to subsequent years.
11. Indirect Costs

The University of Arizona indirect rate agreement approved by DHHS on April 20, 2023 is 53.5% based on Modified Total Direct Cost (MTDC). Equipment, capital expenditures, tuition remission, rental costs, participant support, scholarships and fellowships, and the portion of subgrants and subcontracts in excess of $25,000 are excluded from MTDC.  A copy of the University’s DHHS-approved rate agreement dated April 20, 2023 is available online at: <https://financialservices.arizona.edu/sites/default/files/2023-05/university_of_arizona_ra_fy2024_signed.pdf>