



TO: The Files
CC: Grants Management Office
FROM: Accounting Department
DATE: November 22, 2023
RE: Fringe Benefit Rate for Budgeting Purposes

For purposes of budgeting employee related costs, Inova will use a fringe benefit rate of 21%. This rate is to be applied to estimated salary amounts for budget purposes only.

Note, Inova does not use a fringe rate for booking actual expenditures. Benefit expenses are booked based on actual expenses incurred for employee benefits and are allocated to individual cost centers based on the percentage of actual salary dollars for the cost center divided by total salary dollars.

The budget fringe benefit rate is broken down as follows:

Payroll Taxes	7%
Health Insurance	8%
Retirement	4%
<u>Other (incl life, disability, other)</u>	<u>2%</u>
Total Budget Fringe Rate	21%

This budget fringe rate will be analyzed periodically and updated as needed.