

UCAR Finance and Administration

Budget and Finance

November 13, 2007

Memorandum

To: UCAR G&A, Facilities, and Communications Budget Administrators
From: Dee Huddle, Justin Young
Subject: FY2009 Indirect Rate Submission Budget Guidance

As you are aware, our FY2009 Indirect Rate Proposal is due to NSF by March 31, 2008 under the terms of our NSF/UCAR Cooperative Agreement. Budget templates have been updated and will be forwarded to budget administrators on November 13, 2007. The completed templates will be due to the UCAR Budget Office on **January 7, 2008**.

The template format (prior year actuals, current FY budget, new FY budget) will be the same. To facilitate budget development by those who prefer to budget at the detail level, the templates will also contain the account key level budgeting area that you have used in the past.

Guidance applying to the preparation of the FY2009 indirect cost pools is as follows:

- The salary increase percentage to use for FY2008 and FY2009 is **3.9%**. If you are using current salary figures for individuals to calculate the budget, use an increase factor of **1.0525**. Work time should be estimated at 85%. To aid you in calculating the salary and benefit budgets, we have included a worksheet with all of the positions in your area and have loaded the amounts into the templates for each account. Please review all positions for accuracy as this is only a snapshot of the beginning of the current fiscal year.
- For budget planning purposes, please use the benefit rate of **53.5%** (Full benefits) and **11.5%** (Reduced benefits) pending the development and approval of the FY2009 benefit rates. The UCAR budget office will update templates with the FY2009 proposed benefit rates once final rates are available.
- Materials and supplies, purchased services, and travel budgets should be less than or equal to the FY2008 budgeted amounts for ongoing operations. Please look to reduce budgets when possible. Each template workbook will include a non-salary worksheet for these categories.
- Equipment estimates should be based upon demonstrated need without regard to prior budgets except as a guide to necessary replacement. Interest charges and anticipated depreciation associated with equipment purchases should be included in the FY2009 budgets. The UCAR Treasury Office has distributed guidance for general purpose capital expenditure request cycle. Purchase requests are due to the UCAR Treasury Office by December 21, 2007 and will be reviewed during the January President's Council meeting.
- Please detail any increments or budget changes in the notes section within each account template.

Justin Young (x2127) and I (x8858) will be available to work with you individually should you need assistance so please don't hesitate to give us a call.

CC: Melissa Miller
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Hanne Mauriello
Caron Chambers
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