



ADMINISTRATION AND FINANCE

# SPA-SPAC Meeting

Wednesday, February 26, 2025  
2:00 pm – 4:00pm

## Presenters:

Beryl Gwan – Assistant Director

Michelle Ward – Director

Rama Camara- Spasic - Director

## SPAC's Agenda

- SPAC Costing and Compliance-
  - FY26 Fringe Benefit Rate Update
  - DHHS Salary Cap No Increase
  - Effort Certification Compliance Update
  - FA Updates
  - Coming Soon - new FAMLI leave
- Executive orders and how they impact SPAC.
- Open floor discussion on NIH implications and how they affect Sponsored Projects.
- Coming Soon.



# FY26 Fringe Benefit Rate Update



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- While the rates on the next slide were proposed (submitted to the government)
- The rates have NOT BEEN NEGOTIATED YET
- These rates can be used for planning purposes
- The proposed rates have been included in Quali Research
- The memo and planning rates have been uploaded to our website

<https://www.umaryland.edu/cost/about-the-office/fringe-benefit/>

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# Fringe Benefit Rates-PROPOSED NOT YET NEGOTIATED!!



	Apply to Accounts	FY25 Finalized	FY26+ Pending	Costs Recorded in Account
Faculty	1011 – Faculty 9/10 mo. 1012 – Faculty 12 mo.	28.5%	29.3%	2790 – Fringe rate Faculty
Staff	1013 – Exempt staff 1014 – Non-exempt staff <b>2194 – Non-Exempt GED Program</b>	39.1%	38.4%	2791 – Fringe rate Staff
Legislated Benefit	2071 – Faculty 2072 – Exempt staff (C1) 2073 – Non-exempt staff (C1) 2080 – Summer salaries 2085 – Supplemental Pay 2110 – Overtime 2120 – Shift differential 2130 – On call pay 2140 – Bonus Payments 2074 – College Work study (summer) 2075 – Students (other than CWS) (summer) 2090 – Contractual employee (C2) (Until FY16)	8.2%	8.2%	2793 – Fringe rate Legislated Benefit
Limited Benefit	1021 – Post Docs/Fellows 2090 – Contractual Employee (C2) (FY16+)	19.4%	20.5%	2792 – Fringe rate Limited Benefit
Students	1020 – Graduate Assistants 2074 – College Work Study (CWS) 2075 – Students (Other than CWS)	0%	0%	N/A
Other	2196 – Accrued Leave Payout	0%	0%	N/A

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# FY26 Fringe Benefit Proposed Rates - Continued



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- Faculty Rate – Increased by 0.8 points
- Staff Rate – ***Decreased*** by 0.7 point
- Legislated Benefit – Consistent
- Limited Benefit – Increase of 1.1 points

***Why the discrepancy with all fringe rates increasing, yet the Staff rate had the opposite effect?***

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# Maryland Department of Budget and Management (DBM) Retiree Health Projection

- DBM Projects a 63% drop in retiree health
  - Split only between Faculty and Staff, by headcount
  - Staff received 61% and Faculty 41% of the impact
  - Staff base salary is lower than Faculty base salary
- The state sponsored prescription drug plan for Medicare eligible retirees ended effective 12/31/2024
  - <https://dbm.maryland.gov/benefits/Pages/Retirees.aspx>

# DHHS Salary Cap\_Cost Sharing for Payroll Expenses



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- DHHS Salary Cap for 01/01/2025 to 09/30/25 remains **unchanged** at **\$221,900**
- As of 01/10/2025, NIH operates under a Continuing resolution
  - Continue monitoring your expenses carefully
  - <https://grants.nih.gov/grants/guide/notice-files/NOT-OD-25-010.html>

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# DHHS Salary Cap\_Cost Sharing for Payroll Expenses Continued



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NIH Operates Under a Continuing Resolution

Notice Number:  
NOT-OD-25-010

## Key Dates

Release Date: October 10, 2024

## Related Announcements

- **January 10, 2025** - NIH Operates Under a Continuing Resolution. See Notice [NOT-OD-25-054](#).

## Issued by

NATIONAL INSTITUTES OF HEALTH (NIH)

## Purpose

The Department of Health and Human Services (HHS), including National Institutes of Health (NIH), operates under Continuing Appropriations and Extensions Act, 2025 ([Public Law 118-83](#)) signed by President Biden on September 26, 2024. This Act (CR) continues government operations through December 20, 2024, at the Fiscal Year (FY) 2024 enacted level, with no reduction.

Consistent with NIH practices during FYs 2006 - 2024, NIH Institutes and/or Centers may, at their discretion, issue non-competing research grant awards at a level below that indicated on the most recent Notice of Award. Upward adjustments to awarded levels will be considered after FY 2025 appropriations are enacted, but NIH expects institutions to monitor their expenditures carefully during this period. All legislative mandates that were in effect in FY 2024 (see [NOT-OD-24-110](#)) remain in effect under this CR, as well as the salary limitation set at Executive Level II of the Federal Pay Scale (see [NOT-OD-24-057](#)) and the Ruth L. Kirschstein National Research Service Award predoctoral and postdoctoral stipend levels and tuition/fees as described in [NOT-OD-24-104](#).

## Inquiries

Questions regarding adjustments applied to individual grant awards may be directed to the Grants Management Specialist identified in the Notice of Award.

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# DHHS Salary Cap\_Cost Sharing for Payroll Expenses Continued



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Notice posted to link below

- [https://grants.nih.gov/grants/policy/salcap\\_summary.htm](https://grants.nih.gov/grants/policy/salcap_summary.htm)
- New Proposals
  - No new salary cap for budgeting – no changes needed
- Active awards
  - No re-budgeting needed regardless of availability of funds

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# Effort Reporting Compliance

410 outstanding effort forms from prior periods

The due date for the current Effort Period 123124 is 03/04/2025

- 2,343 out of 3,075 forms complete
- 350 Pending Pre-Review
- 343 Pending Certification
- 39 Pending Post Review

# Effort Certification Compliance Update



## Weekly automated delinquent notifications

These were fine tuned and working seamlessly now. We welcome your feedback



## Chair Notification Escalation will be sent out next week



Last month we sent out the quarterly escalation to the AVP



**Please complete all outstanding effort forms**

## Reminder – Effort Wednesdays

- Please schedule time to meet with the Costing and Compliance team on Wednesdays (if needed)
  - We will work with you one on one.
  - We will walk you through any effort reporting issues you have.
  - We will ensure that it is resolved, unless further action is needed.

# F&A Updates – What’s new?



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On Friday 02/07/2025 NIH issued a notice capping IDC at 15%



On 02/10/2025 a federal judge ordered a nationwide temporary pause on the 15% IDC, based on a lawsuit filed by several plaintiff, including UMB. See lawsuit here:

<https://www.acenet.edu/Documents/AAU-ACE-APLU-Complaint-NIH-Funding.pdf>



<https://grants.nih.gov/grants/guide/notice-files/NOT-OD-25-068.html>

<https://grants.nih.gov/policy-and-compliance/notice-of-policy-changes#2025>



UMB’s base year is FY26

Maybe subject to change based on the resolution of the lawsuit

# Coming Soon – Paid Family and Medical Leave Insurance



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- Maryland is preparing to launch a new paid family and medical leave system
  - Both employees and employer will contribute
- Take time to care for yourself or family member and be paid up to \$1,000 a week for up to 12 weeks
  - Payroll deductions begin 01/01/2027
  - Benefits will become available on 01/01/2028
- For more information, visit <https://paidleave.maryland.gov/Pages/default.aspx>

*Please note: This change will require legislative action by the General Assembly in the coming weeks and will require changes to the information presented on this site.*

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# Questions or Comments for Costing and Compliance



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# SPAC's approach to the Executive Orders

## Summary of key points:

- IMAG – Issues Management Advisory Group established on Jan 27, 2025 focus on key areas affected by evolving federal policies, including Research, International Programs, and Non-Discrimination & Compliance.
- SPAC will follow all guidance issued by UMB leadership.
- Once feedback is provided by this group to us, we will adjust SPAC's methods and procedures to accommodate these changes.

## Overview of SPAC's approach to executive orders and guidance from UMB leadership.

As of 02/21/25 temporary restraining order (TRO) was extended

- Our current process is to continue as is – business as usual.
  - Setting up awards as they come through- except those that reference a 15% IDC Rate.
  - Billing for past and current expenses.
  - Continue to drawdown on LOC and other federal awards bi-weekly.
  - Financial Reporting for both Federal and non- federal awards.
  - Closeouts in a timely manner.

# SPAC's approach- cont'd

## Exceptions: Stop work Orders

- For Direct Federal awards we continue as usual because of the TRO in place.
- For pass thru awards – we will:
  - honor the stop order, adjusting the contract limit to the expenses as of the date of the stop order.
  - We will bill up to that contract amount and wait for a final resolve. ( depts can continue to expense on the account at your own risk)

# SPAC's departmental request

We are asking departments:

- Report/ forward any changes (stop work orders etc.) that may have come directly to you or your PI. These should be sent to Jill and Laura.
- Focus more on cost principles as you review and manage your awards.
- High emphasis on complying with regulations and policies instituted by the federal and state government, UMB as well as private sponsors.



## NIH Implications of Flat Rate for research Overhead – proposed 15%



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- Updated SPAC Website
- Percipio training for Accounts Receivables process.
- SPAC's customer service platform.
- Quantum Financial instructions for Deficit Balance Report.
- VMS Team will be doing a tips and tricks session in RAC mentoring.