

VIRGINIA POLYTECHNIC INSTITUTE AND STATE UNIVERSITY
CURRENT ESTIMATING AND COSTING PROCEDURES

1. Personnel

- Faculty Salaries

Current year salaries for faculty members are proposed on the basis of the faculty member's actual salary, either calendar year (12 months) or academic year (9 months). Some faculty members on an academic year appointment elect to extend their base 9-month contract to a 10-, 11-, or 12-month contract to reflect their sponsored research responsibilities. A faculty member has no scheduled cost-of-living salary increases; instead, the faculty of each academic department is subjected to annual peer reviews. Funds allocated to the department for faculty salaries are distributed on the basis of this review. After salaries are established for a fiscal year, the salary increases of research faculty are identified, and the average percentage increase is utilized in pricing of salaries for out-years.

Currently, actual faculty salaries for the 2023-2024 school year are in place and are adjusted to include the appropriate escalation for budgeting purposes. The percentage increase provided to each of the faculty involved in sponsored research for previous years has been extracted and the determination made that the "average research faculty" received a 5% increase. This percentage increase represents the best available indicator of future salary increases and is applied by the University in estimating salary increases applicable to years beyond the current school year. The 5% increase is applied December 1, 2024 and each December 1 thereafter.

Terms or conditions from a sponsor that differ from the rates in our costing and estimating procedures will be addressed upon award.

- University/Staff Salaries

The Commonwealth of Virginia's Compensation Management System (CMS) determines staff salaries. Classification titles and pay grades are converted into role descriptions and pay bands. The system provides a matrix of 9 pay bands with minimum and maximum pay ranges within each band. The salary range for staff depends upon a variety of considerations such as the importance of the position to the mission of the department, external market requirements, budget implications, and current internal salary alignment. Staff may receive an annual legislated pay increase, as well as in-band adjustments that can be used to recognize an employee for additional duties and responsibilities and job-related skill enhancements. To provide for anticipated increases for out-years, a 5% factor is applied to current staff salary rates. The 5% increase is applied December 1, 2024 and each December 1 thereafter.

- Wage Employees

Wage employee effort is estimated on a per-hour basis using approved wage scales for the current year's effort. To provide for anticipated increases in the wage scales for out-years, a 5% factor is applied to present-year wage rates. The 5% increase is applied December 1, 2024 and each December 1 thereafter.

- Graduate Research Assistants (GRA)

A GRA is a graduate student working on a research effort (normally in connection with his or her thesis). As a student, the salary is based on a 20-hour workweek. The salary received by a GRA is flexible and is established by the departments. The applicable GRA rates established by The Graduate School are as follows. These rates are effective August 10, 2023. Stipend rates are escalated by 5% each August 16 thereafter, starting in 2024.

Table 1 – 2023-2024 Full-Time Graduate Stipend Table
(effective December 10, 2023)

Step Level	Monthly Stipend		Step Level	Monthly Stipend
Step 1*	\$1,798		Step 26	3,403 – 3,467
Step 2*	1,799 – 1,867		Step 27	3,468 – 3,538
Step 3*	1,868 – 1,933		Step 28	3,539 – 3,602
Step 4*	1,934 – 1,999		Step 29	3,604 – 3,668
Step 5*	2,001 – 2,064		Step 30	3,669 – 3,736
Step 6*	2,068 – 2,135		Step 31	3,738 – 3,801
Step 7*	2,136 – 2,200		Step 32	3,803 – 3,869
Step 8*	2,201 – 2,268		Step 33	3,871 – 3,936
Step 9*	2,271 – 2,334		Step 34	3,937 – 4,001
Step 10*	2,335 – 2,403		Step 35	4,004 – 4,068
Step 11*	2,404 – 2,465		Step 36	4,069 – 4,135
Step 12	2,468 – 2,531	- minimum	Step 37	4,136 – 4,201
Step 13	2,534 – 2,601		Step 38	4,202 – 4,269
Step 14	2,604 – 2,667		Step 39	4,270 – 4,338
Step 15	2,669 – 2,736		Step 40	4,339 – 4,400
Step 16	2,737 – 2,802		Step 41	4,402 – 4,472
Step 17	2,803 – 2,866		Step 42	4,474 – 4,537
Step 18	2,868 – 2,937		Step 43	4,539 – 4,603
Step 19	2,938 – 3,003		Step 44	4,604 – 4,672
Step 20	3,004 – 3,067		Step 45	4,673 – 4,737
Step 21	3,070 – 3,135		Step 46	4,738 – 4,806
Step 22	3,139 – 3,198		Step 47	4,809 – 4,869
Step 23	3,200 – 3,267		Step 48	4,871 – 4,940
Step 24	3,268 – 3,335		Step 49	4,941 – 5,005
Step 25	3,336 – 3,402		Step 50	5,006 – 5,072

* Steps 1-11 require supplemental fellowship. Total stipend and fellowship must meet minimum of Step 12. Exceptions necessary to accommodate external funding agency requirements are subject to approval by the Dean of Graduate Education

Note: Payment of in-state tuition may be optional in instances when the source of assistantship funding prohibits tuition payment and the total stipend for a semester exceeds the combined amount of [standard departmental stipend + applicable in-state tuition and program fees].

https://graduateschool.vt.edu/content/dam/graduateschool_vt_edu/assistantships_and_funding/2023-24StipendTableRevised12.10.23.pdf

- Hours and Rates-Per-Hour

NOTE: The University accounts for salaried personnel costs using after the fact certifications of percentage-of-effort instead of timecards. This method of accounting is in accordance with federal Uniform Guidance 2 CFR § 200.430 subpart (i) and its predecessor OMB A-21, Cost Principles For Educational Institutions. Any salaried personnel hours reflected in the proposal, award, or on any other documentation provided will be shown for the convenience of the Sponsor. The conversion from percentage of effort to hours has been made by applying a standard 2,080-hour year (1,560 for

Academic Year faculty; 1,040 for Graduate Students).

- School Year

The University is currently on the semester system, and utilizes this system for budgeting purposes. The standard semester school year is as follows:

Fall Semester	August 16 - December 31
Spring Semester	January 1 - May 15
Summer Semester	May 16 - August 15

2. Tuition Remission

All sponsored program proposals that include graduate student stipends in the budget must also include tuition and technology and library fees for the same timeframe (AY) that the student(s) will be on GRA stipends. Academic year tuition plus technology, library, and engineering fee is budgeted for engineering students. Academic year tuition plus technology, library, and architecture & design fee will be budgeted for architecture, industrial design, and interior design and landscape architecture students. Academic year tuition plus technology, library, and agriculture fee is budgeted for College of Agriculture and Life Sciences students. An escalation of 4.90% will be budgeted each year thereafter, effective August 16.

Blacksburg Campus

	<u>Base</u>	<u>Engineering</u>	<u>Architecture</u>	<u>Agriculture</u>	<u>Med. School</u>
Fall '22	\$7,353.00	\$8,353.00	\$8,103.00	\$7,728.00	\$28,239.00
Spring '23	\$7,353.00	\$8,353.00	\$8,103.00	\$7,728.00	\$28,239.00
Fall '23	\$7,713.50	\$8,713.50	\$8,463.50	\$8,088.50	\$30,274.50
Spring '24	\$7,713.50	\$8,713.50	\$8,463.50	\$8,088.50	\$30,274.50

Northern Virginia Campus

	<u>Base</u>	<u>Engineering</u>	<u>Architecture</u>	<u>Agriculture</u>	<u>Med. School</u>
Fall '22	\$8,130.00	\$9,130.00	\$8,880.00	\$8,505.00	N/A
Spring '23	\$8,130.00	\$9,130.00	\$8,880.00	\$8,505.00	N/A
Fall '23	\$8,528.50	\$9,528.50	\$9,278.50	\$8,903.50	N/A
Spring '24	\$8,528.50	\$9,528.50	\$9,278.50	\$8,903.50	N/A

https://www.bursar.vt.edu/content/dam/bursar_vt_edu/tuition/2023-2024_Tuition_and_Fees_v1.pdf

3. Employee Benefits

Annual negotiations with the Office of Naval Research (ONR) result in fixed rates for Employee Benefits covering the period July 1 - June 30. Benefits include: Fee Waivers, Workman's Compensation, Retirement, Unemployment, FICA, Life Insurance, Hospitalization and Educational Leave. Separate rates are negotiated for faculty, special research faculty, full-time classified and part-time and wage employees. Employee Benefit rates are not applied to student wages or assistantships.

FRINGE RATE SCHEDULE	Through 6/30/24 (FIXED)	On/After 7/1/24 (PROV)
Regular Faculty (CY & AY)	32.78%	32.96%
Research Faculty (CY & AY)	35.52%	35.10%
Part Time Faculty	26.41%	27.50%
SMR Faculty/Wage Employee	6.34%	6.65%
GRA	9.19%	9.83%
Classified Staff	48.00%	47.72%

https://osp.vt.edu/content/dam/osp_vt_edu/rates/fy24-fixed-fy22-final-cfw-fy25-prov-fringe-rate-agreement.pdf

4. Travel

The University follows the Commonwealth of Virginia travel policy and procedures, which provide for reimbursement of "reasonable" cost in connection with official travel. The following limitations are specified within these procedures:

- **Vehicle Travel**

Round trip is 200 miles or more (Fleet Services, or a state contract Enterprise vehicle is available) 53 Cents Per Mile

Round trip is less than 200 miles and a Fleet Services, or state contract Enterprise, vehicle is available. Fleet Services, or state contract Enterprise, vehicle is not available. Round trip is 200 miles or more, a Fleet Services, or state contract Enterprise, vehicle is available and there is a documented economic benefit to the Commonwealth for using a personal vehicle. 67 Cents Per Mile

- **Commercial Travel**

Reasonable commercial travel costs will be reimbursed based on receipts for actual cost. Car rental requires written explanatory statement of need. Coach/tourist accommodations must be used if available.

- **Hotel/Motel**

Reimbursement is based on paid receipt and acceptability is based on reasonableness related to the local area.

- **Meals/Tips**

The reimbursement of such expenses (including all related taxes and tips) shall be made to the traveler based on a fixed allowance. The meal per diem is a reasonable allowance for meals and incidental expenses for the area.

As a State agency, the University is obliged to reimburse travel costs in conformance with State policy. Reimbursement in compliance with this policy is consistent with the requirements of Federal Acquisition Regulation (FAR) 31.3.

The University's travel regulations can be found at the following links:

- Hotel and Motel Accommodations:

https://www.controller.vt.edu/content/dam/controller_vt_edu/procedures/travel/20335b_Hotel%20and%20Motel%20Accommodations.pdf

- Meals & Incidental Expenses:
https://www.controller.vt.edu/content/dam/controller_vt_edu/procedures/travel/20335c.pdf
- Ground Transportation:
https://www.controller.vt.edu/content/dam/controller_vt_edu/procedures/travel/20335d-Ground-Transportation.pdf
- Air Transportation:
https://www.controller.vt.edu/content/dam/controller_vt_edu/procedures/travel/20335e.pdf

5. Equipment

The University defines equipment, in accordance with 2 CFR 200.33, as an article of nonexpendable tangible personal property having a useful life of more than one year and an acquisition cost which equals or exceeds the lesser of the capitalization level established by the institution for financial statement purposes, or \$5,000. The University uses the first option and has established a capitalization level of \$2,000.

The University's equipment regulations can be found at:

<https://policies.vt.edu/assets/3950.pdf>

6. Facility and Administrative Costs

Facility and Administrative (F&A) Cost Rates are fixed annually through agreement with the Office of Naval Research (ONR). Commonwealth of Virginia legislative action obligates the University to recover F&A costs wherever possible. A copy of the University's federally assigned Rate Agreement can be found at:

https://osp.vt.edu/content/dam/osp_vt_edu/rates/fy22-24-fa-predetermined-rate-agreement.pdf

The predetermined rates are as follows:

	<u>7/1/21-6/30/24</u>
Research On-Campus (1)	60.00%
Research On-Campus (2)	63.00%
Research Adjacent (1)*	27.50%
Research Adjacent (2)	30.50%
Research Remote (1)**	26.00%
Research Remote (2)	29.00%
Instruction On-Campus	53.00%
Instruction Off-Campus	26.00%
Other On-Campus	35.00%
Other Off-Campus	23.30%

- (1) Applies to all DoD contracts and subcontracts awarded or issued before November 30, 1993, all Non-DoD instruments, and all DoD grants.
- (2) Applies to all DoD contracts awarded or issued on or after November 30, 1993 in accordance with an under the authority of DFARS 231.303(1).

*Off Campus – Adjacent: Activities performed within the commuting area of Blacksburg, VA

**Off Campus – Remote: Activities performed outside the commuting area of Blacksburg, VA

THE APPROPRIATE UNCAPPED F&A RATE WILL BE USED FOR ALL NON-FEDERAL AND NON-FEDERAL FLOW THROUGH PROJECTS.

Sponsors that do not allow our full F&A cost rates must provide proof of their lower rate. This must be in written

Last Updated: 04/02/2024

form such as a (guideline, policy or in a copy of board minutes). A letter from an authorized individual having authority to bind the sponsor will suffice. If there is no proof of the lower rates, the appropriate F&A rates shown above will be applied to the project's budget.

NOTE: F&A may be charged based on total direct costs (TDC) per sponsor guidelines or if special F&A arrangements have been previously approved.

7. Payments

All payments should be made payable to Treasurer, Virginia Polytechnic Institute and State University, and should be mailed to:

Virginia Polytechnic Institute and State University
Office of Sponsored Programs, Mail Code 0170
North End Center, Suite 4200
300 Turner Street NW
Blacksburg, Virginia 24061-6100

8. Audit Compliance

The University is in compliance with the provisions of the Uniform Guidance. Our most recent single audit report can be viewed at:

<https://www.apa.virginia.gov/reports/CommonwealthofVirginiaSingleAuditReport2022.pdf>

9. Cost Accounting Standards DS-2 and Other Costing Principles Policy Documents

The University is in compliance with the provisions of the Uniform Guidance. Our most recent Cost Accounting Standards Disclosure Statement 2 (CASDS-2) can be viewed at:

https://www.controller.vt.edu/content/dam/controller_vt_edu/resources/costaccounting/DS-2%20Revision%20No%206A%20-%20July%201%202021%20-%20Revision%20for%20Audit.pdf

For further information on University policies regarding Costing Principles refer to:

<https://policies.vt.edu/assets/3240.pdf>

10. Negotiations

For further explanation and/or negotiations of this proposal, contact the Principal Investigator whose name and telephone number appear on the proposal cover page for technical negotiations.

Administrative and Fiscal Matters Contact:

James R. Heflin
Co-Interim Executive Director of OSP
Office of Sponsored Programs
Telephone: (540) 231-5281, FAX: (540) 231-3599
E-Mail: ospdirector@vt.edu