**Budget Justification**

1. **Senior Personnel**
2. **Other Personnel**

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. **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 Support Costs:**
6. **Other Direct Costs:**
7. **Materials and Supplies:**
8. **Publication Costs:**
9. **Consultant Services:**
10. **Computer (ADPE) Services:**
11. **Subcontracts:**
12. **Other:**

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 $6,174 per academic semester ($12,348 per academic year). An 8% inflationary increase is applied to subsequent years.

1. **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>