

Fringe Supportive Document

Issue Date: 3/25/2024

Overview of Fringe Benefits:

Within MOVA's Policies and Procedures [allowable and unallowable list](#) there are examples of allowable & unallowable fringe benefits under the MOVA grant. This is not an all-inclusive list and does not fully represent all costs or benefits which may be considered fringe. If you have a fringe cost which is not identified there, contact your program coordinator for more information on allowability. During the contracting process we will request information about how subrecipients budget their fringe rates.

Methods of Budgeting and Reporting Fringe Costs

Allocation Method: A fringe percentage calculation based on entity-wide salaries and wages of the employees receiving the benefits is an allowable way to determine a fringe percentage in the MOVA grant approved budget. When the allocation method is used, separate allocations must be made to selective groupings of employees, unless the MOVA subrecipient demonstrates that costs in relationship to salaries and wages do not differ significantly for different groups of employees. Below is an example of an allocation method breakdown of fringe rate for benefit eligible (Group 1) and non-benefit eligible (Group 2) employees.

Fringe Benefit Component:	Group 1	Group 2
Social Security and Medicare Taxes	7.1%	7.6%
MA Paid Medical and Family Leave	0.4%	0.4%
Unemployment Insurance	0.1%	0.1%
Workers Compensation Insurance	0.4%	0.4%
Retirement-403B Match	1.2%	1.0%
Medical Insurance	7.9%	0.0%
Dental Insurance	0.8%	0.0%
Life Insurance	0.2%	0.0%
Total Fringe Benefit Rate	18.1%	9.6%

Dependent on risk level, subrecipients using an allocation method may be asked to provide a breakdown of the fringe rate as backup documentation during monthly expenditure report review and/or expenditure report desk review.

Actuals Method: Fringe rates and benefits will vary based on specific benefits elected by or assigned to individual employees. Utilizing this method may have varying costs and fringe rates across personnel funded under the MOVA grant. For this method, backup documentation must support specific costs.

Dependent on risk level, subrecipients using an actuals method may be asked to provide a backup documentation during monthly expenditure report review and/or expenditure report desk review. Backup documentation should include receipts or other appropriate supportive documentation for all associated fringe costs.

Below is an example of acceptable backup documentation for the health insurance component of the fringe rate (names have been removed for privacy). The highlighted totals represent health insurance for employees who have health insurance included in their base fringe rate.

For example, the subrecipient has indicated in their approved budget that 'Staff Person A' has a base 20% fringe rate which includes 10% health insurance, 5% dental, 2.5% workman's comp, and 2.5% vision. In this example, if 'Staff Person A' is fully funded by the MOVA award, the health insurance (\$942.59) would represent 10% percent of the total 20% budgeted fringe for that staff person and would be represented in the monthly reimbursement request for 'Staff Person A' fringe.

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INVOICE # : [REDACTED]
INVOICE DATE : [REDACTED]
BILL PERIOD : [REDACTED]
PAYMENT DUE ON/BEFORE : [REDACTED]

CUSTOMER ACCOUNT # : [REDACTED]

CUSTOMER ACCOUNT # : [REDACTED] NAME : [REDACTED]

CONTRACT NUMBER	SUBSCRIBER'S NAME	COVERAGE EFFECTIVE	BILL FROM	BILL TO	CONTRACT TYPE	FAM SIZE	DAYS	PREMIUM AMOUNT
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	Staff Person A	01/01/15	09/01/23	09/30/23	I	1	30	\$942.59
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	12/16/19	09/01/23	09/30/23	I	1	30	\$942.59
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	10/28/19	09/01/23	09/30/23	I	1	30	\$942.59
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]	[REDACTED]
[REDACTED]	[REDACTED]	10/06/22	09/01/23	09/30/23	I	1	30	\$942.59
Total:								\$12,112.28

Federally Approved Fringe Rates: Subrecipients may have an agency-wide fringe rate identified in their federally approved indirect rate letter or that has been established by an institution. For subrecipients that receive a federally approved indirect rate, the letter should be submitted to MOVA during contracting or upon request and will act as backup documentation for the fiscal year; as with a federally approved indirect rate, the letter must be currently valid.

Below is an example:

SECTION I: FRINGE BENEFIT RATES**

TYPE	FROM	TO	RATE (%)	LOCATION	APPLICABLE TO
FIXED	10/1/2021	9/30/2022	34.30	All	Employees
PROV.	10/1/2022	9/30/2025	34.30	All	Employees

** DESCRIPTION OF FRINGE BENEFITS RATE BASE:

Salaries and wages.

For sub-recipients that have an established indirect rate, submit any documents that provide a breakdown of the fringe rate to your program coordinator during contracting or upon request. This could look like a website address to the organizations fringe benefits page or an internal document.

If you have any questions or would like additional technical assistance, please reach out to your program coordinator.