

## Background

RATES: EXPECTED & APPLIED			
<b>EXPECTED IN WORKDAY:</b>			
Payroll Category	Payroll Fringe Journals	Terminal Leave Fringe Alloc	Total Approved Fringe Rate
Regular Faculty and Academic Staff	34.00%	0.27%	<b>34.30%</b>
Regular University Staff	38.30%	0.20%	<b>38.50%</b>
<b>July &amp; August:</b>			
Payroll Category	Payroll Fringe Journals	Terminal Leave Fringe Alloc	Total Applied Fringe Rate
Regular Faculty and Academic Staff	34.30%	0.12%	<b>34.42%</b>
Regular University Staff	38.50%	0.07%	<b>38.57%</b>
<b>September:</b>			
Payroll Category	Payroll Fringe Journals	Terminal Leave Fringe Alloc	Total Applied Fringe Rate
Regular Faculty and Academic Staff	34.00%	0.12%	<b>34.12%</b>
Regular University Staff	38.30%	0.07%	<b>38.37%</b>

UW uses Fringe pool accounts to offset actual cost of Fringe Benefits based on the above table.

In Workday, the Fringe is intended to be reduced by Terminal Leave so that:

$$\text{Fringe} + * \text{Terminal Leave} = \text{Total Approved Fringe}$$

\*The following salary spend categories are excluded from the terminal leave calculations:

- SC00385 – Summer Service
- SC00386 – Summer Session
- SC00397 – Terminal Leave – Lump Sum
- SC00383 – Base Pay - Academic

However, UWMSN Fringe rates were setup incorrectly to apply the full FY25 rates at Workday go-live. This was fixed in September; however, the Terminal Leave rates still applied at the unapproved FY26 rates.

- **July & August:**
  - FY25 Total Approved Fringe was charged
  - FY26 Terminal Leave was charged
  - Result: Overcharged by FY26 Terminal Leave

- **September:**
  - FY25 Fringe less FY25 Terminal leave charged for Fringe
  - FY26 Terminal Leave charged
  - Result: Short by the difference between FY25 and FY26 Terminal Leave

## **Impact**

In most cases, this issue led to small overcharges of less than \$100 on the overall award impacted. Given that the ending balance in the fringe pool account is included in calculations for the following fiscal year's proposed fringe rate, adjustments are not necessary in the current fiscal year. The small overages will be taken into account in the preparation of the following fiscal year's fringe rate.

Therefore, unless unique circumstances exist, only awards overcharged by more than \$300 require review. RSP will conduct this review and contact campus partners for awards determined to need adjustments.

Guidance with language to share with sponsors that contact UW-Madison with further questions on this is available here: <https://rsp.wisc.edu/rates/>

Please reach out to your RSP accountant if you have any questions.