

FRINGE BENEFIT REDIRECTION GUIDE

Last updated: 10/25/2022

Fringe benefit costs are normally charged to the same accounting string that employee salaries are charged to. However, in some cases, fringe benefits may be charged to a different account. These instances include when:

1. Salaries are charged to a general fund account
2. The department chooses to charge fringes to a different account (within the same fund group)
3. Grants do not allow fringes on the grant account

To redirect fringe benefit costs, a department must update the Payroll Related Attributes section of the account in KFS (Finance system). The redirects are set up separately for non-graduate employees, graduate tuition and fees, and graduate health.

The following sections outline the specific guidelines for different fund groups.

General Fund

Non-Graduate Employees

In general, the University's policy is to redirect all fringes on general fund salaries (non-graduate only) to one of the seven centrally funded fringe accounts. Please note exceptions below. There is one central fringe account for each higher education function code. When selecting the redirect account that fringes should be charged to, fiscal officers should select the central account that matches with the salary account's higher education function code (located on the Account Maintenance section of the KFS account form). For example, if a general fund account charges expenses to the instruction function code, the non-graduate fringe benefit charges should be redirected to the central fringe account that is coded to the instruction function code (GA014991). A complete list of the General Fund central fringe accounts is below:

GA011301	FRINGE BENEFITS – STUDENT SERVICES
GA011991	FRINGE BENEFITS – PUBLIC SERVICE
GA014991	FRINGE BENEFITS – INSTRUCTION
GA015601	FRINGE BENEFITS – OPER & MAINT OF PLANT
GA016991	FRINGE BENEFITS – RESEARCH
GA017601	FRINGE BENEFITS – ACADEMIC SUPPORT
GA017701	FRINGE BENEFITS – INSTITUTIONAL SUPPORT

As noted, not all General Fund accounts are authorized to redirect fringe benefit costs to the central accounts. Please see the matrix at the end of this document which outlines what general fund sub-funds do and do not follow the requirements above.

Graduate Employees

Tuition and health fees for graduate employees can be redirected on general fund accounts. Departments may choose the account as long as it is not one of the seven central fringe benefit accounts. Any other general fund account is fine because general fund salary accounts accept graduate

fringe benefits. Fiscal Officers should generally redirect costs to an account with the same higher education function code.

All Other Fund Groups

Non-Graduate Employees

Fiscal Officers are allowed to redirect fringe benefit costs for all other fund groups, but generally should redirect them to an account within the same fund group and with the same higher education function code as to where the salary was paid. Redirected fringe benefit charges originating on accounts outside of general fund cannot redirect the charges to a general fund account.

Graduate Employees

Tuition and health fees for graduate employees originating on accounts outside of general fund can redirect the charges to any type of account, including general fund accounts. However, departments may not redirect to one of the seven general fund central fringe accounts noted above. Departments are responsible for funding graduate employees' tuition and health benefits regardless of fund type.

Please contact Ann Payne at payneann@msu.edu for questions.



GF Account Matrix

General Fund Sub-Fund Group Code	Fund/Sub-Fund Description	Higher Education Function Code (HEF) [xxx denotes detail coding for that category]	Payroll Related Attributes			Explanation for Including Fringes on the Account
			Non-Grad Fringe Benefit	Non-Grad Fringe Benefit Chart of Account Code	Non-Grad Fringe Benefit Account Number [Based on HEF Code]	
General Fund is used to account for the general operations and activities of the University, including all for-credit instructional classes. The general fund is budgeted annually and is funded mainly by tuition revenue and state appropriations.						
GA	Used to account for day-to-day operations of University departments/colleges.	Instruction -> 1xxx Research -> 2xxx Public Service -> 3xxx Academic Support -> 4xxx Student Services -> 5xxx Institutional Support -> 6xxx Operation & Maintenance -> 7xxx Scholarship & Fellowships -> 8xxx	No	MS - Michigan State University	1xxx -> GA014991 2xxx -> GA016991 3xxx -> GA011991 4xxx -> GA017601 5xxx -> GA011301 6xxx -> GA017701 7xxx -> GA015601 8xxx -> GA011301	
GC	Used to account for annual budget allocations and carryforward amounts. These accounts typically only have budget transactions.	Instruction -> 1xxx Research -> 2xxx Public Service -> 3xxx Academic Support -> 4xxx Student Services -> 5xxx Institutional Support -> 6xxx Operation & Maintenance -> 7xxx Scholarship & Fellowships -> 8xxx	No	MS - Michigan State University	1xxx -> GA014991 2xxx -> GA016991 3xxx -> GA011991 4xxx -> GA017601 5xxx -> GA011301 6xxx -> GA017701 7xxx -> GA015601 8xxx -> GA011301	
GD	Used to account for previous years' carryforward, unencumbered programmatic resources and other flexible funds. Funds typically used to fund unit level priorities, for departmental start-ups and other discretionary activities.	Instruction -> 1xxx Research -> 2xxx Public Service -> 3xxx Academic Support -> 4xxx Student Services -> 5xxx Institutional Support -> 6xxx Operation & Maintenance -> 7xxx Scholarship & Fellowships -> 8xxx	No	MS - Michigan State University	1xxx -> GA014991 2xxx -> GA016991 3xxx -> GA011991 4xxx -> GA017601 5xxx -> GA011301 6xxx -> GA017701 7xxx -> GA015601 8xxx -> GA011301	
GE	Used to account for faculty startup agreements.	Instruction -> 1xxx	No	MS - Michigan State University	1xxx -> GA014991	
GH	Used at college and/or departmental level to reserve funding for active faculty startups not fully funded and for up to three years of future hire startup commitments.	Instruction -> 1xxx	No	MS - Michigan State University	1xxx -> GA014991	
GL	Used to support the University's Teaching and Learning Environment. The funds are part of University recurring funding used for non-recurring purposes to build and upgrade the University's technology environment for teaching and learning.	4005 - Ancillary Support	Yes			Fringes should not be redirected due to the nature of the activity in these accounts.
GP	Used to account for salary expenses related to the production and implementation of Summer School courses.	Instruction -> 1xxx Research -> 2xxx Public Service -> 3xxx Academic Support -> 4xxx Student Services -> 5xxx Institutional Support -> 6xxx Operation & Maintenance -> 7xxx Scholarship & Fellowships -> 8xxx	No	MS - Michigan State University	1xxx -> GA014991 2xxx -> GA016991 3xxx -> GA011991 4xxx -> GA017601 5xxx -> GA011301 6xxx -> GA017701 7xxx -> GA015601 8xxx -> GA011301	
GR	Used to account for expenses associated with general funded research activities.	2000 - Research Institutes or Centers 2003 - Individual Research or Project Research	No**			** Fringes may be included in the budget that is funded by the source sponsoring the research. If they are, fringes should not be redirected centrally.
GS	Used to account for 1) special/limited-term projects or initiatives, 2) departmental supported recurring operations not directly funded by General Fund budget; 3) General Fund savings amounts to be used by departments for future general fund initiatives.	Instruction -> 1xxx Research -> 2xxx Public Service -> 3xxx Academic Support -> 4xxx Student Services -> 5xxx Institutional Support -> 6xxx Operation & Maintenance -> 7xxx Scholarship & Fellowships -> 8xxx	No	MS - Michigan State University	1xxx -> GA014991 2xxx -> GA016991 3xxx -> GA011991 4xxx -> GA017601 5xxx -> GA011301 6xxx -> GA017701 7xxx -> GA015601 8xxx -> GA011301	
GT	Used to account for funds committed to faculty members in support of their scholarly activities, which may include faculty professional development, business travel, special events, guest speakers, summer faculty fellowship, and post-startup research retentions or allowances.	Instruction -> 1xxx Public Service -> 3xxx (MSU Extension)	No	MS - Michigan State University	1xxx -> GA014991 3xxx -> GA011991	



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General Fund is used to account for the general operations and activities of the University, including all for-credit instructional classes. The general fund is budgeted annually and is funded mainly by tuition revenue and state appropriations.						
GU	<i>For Central Use Only</i> – used to account for general University operations that do not specifically support a particular college or department.	Instruction -> 1xxx Research -> 2xxx Public Service -> 3xxx Academic Support -> 4xxx Student Services -> 5xxx Institutional Support -> 6xxx Operation & Maintenance -> 7xxx Scholarship & Fellowships -> 8xxx	No	MS - Michigan State University	1xxx -> GA014991 2xxx -> GA016991 3xxx -> GA011991 4xxx -> GA017601 5xxx -> GA011301 6xxx -> GA017701 7xxx -> GA015601 8xxx -> GA011301	
GV	<i>For Central Use Only</i> – used to account for all general fund revenue received and deposited during the year.		Yes			Only revenue should be recognized in these accounts, so there should be no fringes to redirect.
GZ	<i>For Central Use Only</i> - used to facilitate year-end adjustments and transactions for financial reporting purposes.	Instruction -> 1xxx Research -> 2xxx Public Service -> 3xxx Academic Support -> 4xxx Student Services -> 5xxx Institutional Support -> 6xxx Operation & Maintenance -> 7xxx Scholarship & Fellowships -> 8xxx Balance Sheet -> BS Transfers -> Txxx	Yes			These accounts are used for year end accruals, so there should be no fringes to redirect.