

## Payroll Taxes & Fringe Allocation Guide

According to generally accepted accounting practices, salaries and payroll taxes/fringe costs should be proportionately charged to OJP grants on each FSR. For example, if wages for a position are charged 50% to VOCA, then 50% of that position's payroll taxes/fringe should be charged to VOCA as well.

If, for some reason, you want to charge payroll taxes/fringe disproportionately, consult your grant manager. There are scenarios where this may be allowed. For example, if you have a position that is 100% funded with VOCA funds and you want to use payroll taxes/fringe paid with other non-federal funds as match, you can use that as justification in your request.

Below are examples of scenarios that are best practice, potentially allowable and unallowable.

### Examples of Budgets that Proportionately Charge Salary and Taxes/Fringe Expenses

Position A	Total	VOCA	VOCA Match	State	Non-OJP & Non-Matching	Explanation
Salary \$	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	100% of the salary is charged to VOCA so 100% of payroll taxes/fringe for position should be charged to VOCA as well.
Salary %	100%	100%	0%	0%	0%	
Taxes/Fringe \$	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	
Taxes/Fringe %	100%	100%	0%	0%	0%	

Position B	Total	VOCA	VOCA Match	State	Non-OJP & Non-Matching	Explanation
Salary \$	\$ 40,000	\$ 20,000	\$ -	\$ 20,000	\$ -	50% of the salary is charged to VOCA so 50% of payroll taxes/fringe for position should be charged to VOCA as well. Likewise, 50% of the salary is charged to State so 50% of payroll taxes/fringe for position should be charged to State.
Salary %	100%	50%	0%	50%	0%	
Taxes/Fringe \$	\$ 10,000	\$ 5,000	\$ -	\$ 5,000	\$ -	
Taxes/Fringe %	100%	50%	0%	50%	0%	

### Examples of Budgets that Do Not Proportionately Charge Salary and Taxes/Fringe Expenses but may be Allowable

Position C	Total	VOCA	VOCA Match	State	Non-OJP & Non-Matching	Explanation
Salary \$	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	Payroll taxes/fringe are not charged proportionately to the salary funding source. Contact your grant manager to request approval to charge payroll taxes/fringe to VOCA Match.
Salary %	100%	100%	0%	0%	0%	
Taxes/Fringe \$	\$ 10,000	\$ -	\$ 10,000	\$ -	\$ -	
Taxes/Fringe %	100%	0%	100%	0%	0%	

Position D	Total	VOCA	VOCA Match	State	Non-OJP & Non-Matching	Explanation
Salary \$	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	Payroll taxes/fringe are not charged proportionately to the salary funding source. Contact your grant manager to request approval to charge payroll taxes/fringe this way to VOCA Match.
Salary %	100%	100%	0%	0%	0%	
Taxes/Fringe \$	\$ 10,000	\$ 5,000	\$ 5,000	\$ -	\$ -	
Taxes/Fringe %	100%	50%	50%	0%	0%	

Position E	Total	VOCA	VOCA Match	State	Non-OJP & Non-Matching	Explanation
Salary \$	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ 20,000	Payroll taxes/fringe are not charged proportionately to the salary funding source. Contact your grant manager to request approval to charge payroll taxes/fringe to non-OJP funds this way.
Salary %	100%	50%	0%	0%	50%	
Taxes/Fringe \$	\$ 10,000	\$ -	\$ -	\$ -	\$ 10,000	
Taxes/Fringe %	100%	0%	0%	0%	100%	

Position F	Total	VOCA	VOCA Match	State	Non-OJP & Non-Matching	Explanation
Salary \$	\$ 40,000	\$ 40,000	\$ -	\$ -	\$ -	Payroll taxes/fringe are not charged proportionately to the salary funding source. Contact your grant manager to request approval to charge payroll taxes/fringe to State funds this way.
Salary %	100%	100%	0%	0%	0%	
Taxes/Fringe \$	\$ 10,000	\$ -	\$ -	\$ 10,000	\$ -	
Taxes/Fringe %	100%	0%	0%	100%	0%	

#### Examples of Budgets that are Not Allowable

Position G	Total	VOCA	VOCA Match	State	Non-OJP & Non-Matching	Explanation
Salary \$	\$ 40,000	\$ -	\$ -	\$ 40,000	\$ -	OJP funds (VOCA, State, etc) cannot pay for any percentage of payroll taxes/fringe for salary that is not paid for by the same OJP funds.
Salary %	100%	0%	0%	100%	0%	
Taxes/Fringe \$	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	
Taxes/Fringe %	100%	100%	0%	0%	0%	

Position H	Total	VOCA	VOCA Match	State	Non-OJP & Non-Matching	Explanation
Salary \$	\$ 40,000	\$ 20,000	\$ -	\$ -	\$ 20,000	OJP funds (VOCA, State, etc.) cannot pay for any percentage of payroll taxes/fringe for salary that is not paid for by the same OJP funds. Only 50% of payroll taxes/fringe could be covered with VOCA under this scenario.
Salary %	100%	50%	0%	0%	50%	
Taxes/Fringe \$	\$ 10,000	\$ 10,000	\$ -	\$ -	\$ -	
Taxes/Fringe %	100%	100%	0%	0%	0%	