

**UCR Guidelines for
Charging Faculty Summer Salary to Sponsored Awards
May 1, 2009**

These guidelines are intended to assist those individuals responsible for making decisions regarding salary expense allocations associated with faculty summer salary and those involved in facilitating the financial transactions necessary to implement those decisions.

Background

As a recipient of federal funds, UCR is obligated and required to comply with 2 CFR 220, "Cost Principles for Educational Institutions (OMB Circular A-21). These regulations describe the cost principles that govern the allowability and allocability of cost to UCR's sponsored awards and form the key concepts that underlay UCR's financial system.

Because salaries on sponsored awards typically make up the majority of expenditures, it is important to ensure that such expenses are allocated in accordance with OMB Circular A-21 and campus policy. Increased emphasis by the federal government on transparency and accountability, continued federal audit findings, and several multi-million dollar settlements of fraud allegations by prestigious universities have served to increase awareness of the importance of appropriately allocating salary expenses to sponsored awards.

Guidelines

1. Identifying activities that benefit sponsored awards is critical to the appropriate allocation of salary expenditures and ultimately the accurate certification of effort devoted to the sponsored award to which the salary expenses were allocated. The university has many expectations of faculty regarding the work in which they are engaged, including but not limited to research, teaching, university service and public service. However, not all of these activities benefit sponsored awards. Thus, portions of a faculty member's time, as well as the portion of salary associated with that time, may not be allocable to sponsored awards.
 - a. Examples of activities that are part of sponsored programs effort include, but are not limited to:
 - i. Effort devoted to the conduct of the scope of work described in the sponsored award or by the proposal that was funded by the sponsored award;
 - ii. Writing reports for the sponsor of the award that describe the progress made in conducting the scope of work and discussing the results of the work performed;
 - iii. Writing renewal, continuation and/or supplemental proposals specifically related to the work being conducted under a sponsored award;

- iv. Attending conference, workshops, symposia and the like that are related to the work being conducting under the sponsored award;
 - v. Meetings with program/project and/or sponsor personnel where the purpose of the meeting is to discuss the conduct, progress and/or results of the program/project; and
 - vi. Reading scientific journals and scholarly publications to stay current regarding new knowledge and developments within the field of research or area related to the work under a sponsored award.
 - b. Examples of activities that are not part of sponsored programs effort include, but are not limited to:
 - i. Instructional activities, unless the purpose of the sponsored award is instruction;
 - ii. Student academic advising
 - iii. University service, such as service on a committee;
 - iv. Writing new grant proposals, unless writing new proposals is a requirement of the sponsored award;
 - v. Serving on a sponsor's study section and/or peer review panel;
 - vi. Outside consulting or public service activities, unless the purpose of a sponsored awards is public service.
2. 100% salary should not be charged in any one period unless the faculty member will be exclusively engaged in research on the sponsored award(s) to which their salary is allocated.
- a. Example 1. During the month of July a professor with an Academic Year appointment will be conducting research on a sponsored award, and also is scheduled to teach. In this case it is not appropriate, and contrary to UC/campus policy and OMB Circular A-21, to allocation 100% of the July summer salary to the sponsored award.
 - b. Example 2: A professor with an academic year appointment also has an administrative appointment as a department chair, and is PI on a sponsored award. The professor is compensated for the administrative duties with a stipend during the academic year, and two-summer ninths. In this case, the maximum summer salary that can be charged to the sponsored award is one month (one summer ninth). Additionally, the sponsored award may be charged for 100% of a one month's salary in a single month only if the professor will have no administrative, teaching or service responsibilities during that same month. If the professor will be engaged in administrative duties associated with his /her responsibilities as department chair, then the one summer month compensation

for research should be charged to the sponsored award commensurate with the effort devoted by the PI to the research project throughout the summer period.¹

3. Salary allocated to sponsored awards should be based on reasonable estimates of planned effort. For example, if an associate professor will devote effort equivalent to one summer month on her NASA grant, and this effort will take place throughout the summer period, then it may be appropriate to charge 33.33% of summer salary in each summer payroll period provided that her effort is reasonably expected to be equal in each payroll period.
4. It is not allowable, and it is contrary to UC/campus policy and OMB Circular A-21, to charge summer salary to sponsored awards as a means of compensating faculty for their effort on sponsored awards during the academic year.
5. It is important that lines of communication remain open between PIs, program/project personnel, departmental business offices, Accounting Services, Academic Personnel and Sponsored Programs Administration. Open lines of communication will help facilitate appropriate salary allocation decisions, reduce errors and minimize the need to transfer expenses from one funding source to another at a later date.

Questions regarding the establishment of summer salary distribution lines for faculty should be directed to the Payroll Office. Questions regarding summer salary policy should be directed to Academic Personnel. Questions regarding the budgeting and allocation of faculty summer salary to sponsored awards should be directed to the Contract and Grant Officer assigned to your unit or the Extramural Funds unit in Accounting Services.

¹ Specifically, the past practice of some departments to assign 100% of the research effort to a single month and 100% of the administrative effort to another month, despite the fact that the professor is performing administrative and research duties during both months, is expressly prohibited.

In example #2, if in July 60% of the professor's effort is attributable to administrative duties and 40% attributable to the sponsored research project duties, then two distribution lines are required. If that situation were to repeat in August, (60% administrative and 40% research effort), then the remainder of the administrative summer ninth (.80 summer ninth) and the remainder of the research summer ninth (.20 summer ninth) will have to be distributed, based on actual effort, over June and September.