

Request for Summer Salary Guideline

EFFECTIVE DATE: APRIL 8, 2015

DATE OF CURRENT REVISION: APRIL 8, 2015

RESPONSIBLE OFFICE: DIVISION OF RESEARCH

1. Purpose

- 1.1. This document provides guidelines for faculty members requesting summer compensation (referred to as “summer salary” and period outside of the base salary period) to be covered by external funds such as federal, State, private, or local government sponsored research. These guidelines supersede all prior practices and procedures for requesting summer salary.
- 1.2. The guidelines outlined in this document are intended to allow faculty members to earn the maximum summer salary while maintaining compliance with federal, state, private, and local sponsor and university policies.
- 1.3. These guidelines are applicable to full-time faculty on campus that have 9 month academic year appointments who conduct summer research.
- 1.4. These guidelines do not apply to faculty members paid on a fiscal year 12-month appointment.
- 1.5. Clarkson defines the summer months as May 15th – August 15th.

2. Applicable Regulations and University Practice

- 2.1. Summer salary is permissible subject to the regulations of the sponsoring agency and Clarkson University policies.
- 2.2. Charges for work performed by faculty members on sponsored projects during the summer months or other periods not included in the base salary period will be determined for each faculty member at a rate not in excess of the IBS rate divided by the period to which the IBS relates.
- 2.3. The summer pay rate is determined by the base academic salary rate that goes into effect for the fiscal year that begins on July 1st of that summer.
- 2.4. Faculty who receive summer salary must expend the effort associated with the summer salary during the summer period. Effort expended during the academic year does not satisfy a commitment related to the receipt of summer salary and individuals may not transfer effort from one month to another.
- 2.5. Charges to sponsored projects for summer research must be consistent with the level of effort devoted to each project worked on for the period and with the funding provided. In particular, federal regulations require that for faculty that request 100% effort in a given month, 100% of the faculty’s time and effort must be spent on activities covered by the award(s) for the period of time when a faculty member is receiving summer salary on the award(s). This requires faculty to forego teaching, proposal preparation, administrative work, vacation, and business or conference travel unless the travel is exclusively related to grant-funded activities. This effort must be subsequently certified on the faculty member’s

Effort Report ATFAR which includes the faculty's summer salary charges on sponsored projects.

- To ensure compliance with federal regulations, the University recommends that faculty not charge more than *two-ninths* (83.3% effort) of summer salary support to a sponsored award (includes federal, State, local government, or private awards) or a combination of awards including flow-through dollars.
- Faculty can earn the full 3 month maximum using non-sponsored funds such as funds from non-federally sponsored grant(s), discretionary funds, etc.
- Although not recommended, faculty can request the full 3 month maximum at 100% effort earned from sponsored awards with HR Supervisor and Chair approval.

2.6. NSF limits the salary compensation requested in the proposal budget for senior personnel to no more than two months, or *two-ninths*, of their regular AY salary in any one year. This limit includes salary compensation received from **all NSF-funded grants**.

- If anticipated, any compensation for such personnel in excess of two months must be disclosed in the proposal budget, justified in the budget justification, and must be specifically approved by NSF in the award notice budget. Please contact the Division of Research for further questions and guidance.

3. Requesting Summer Salary

3.1. The responsibility for initiating a summer salary request lies with the faculty member.

3.2. All requests for summer salary must be made prior to conducting any research on sponsored projects compensated with external funds during the open enrollment window from April 15th thru May 15th through the PeopleSoft Summer Salary Request self-service request form.

3.3. Requests for summer salary shall be in compliance with sponsor's contractual requirements. For example; from the sponsored project, the budget justification shall state and list explicitly the salary in the budget for the faculty in question or the funding source needs to allow rebudgeting.

3.4. Any requests for the full 3/9^{ths} maximum earned from 100% sponsored awards will require HR Supervisor and Chair approval.

4. Definitions and Calculations

4.1. **PI's:** Principal Investigator. Ensures that all requests for salary support in sponsored projects proposals are based on the individual's IBS, or in cases where the IBS exceeds the federal salary cap or any other sponsor limitation, the salary cap or limit amount is used instead of the IBS.

4.2. **Base Academic Year Salary (or Institutional Base Salary):** The "institutional base salary" (IBS) is the annual compensation that the applicant organization pays for an individual's appointment, whether that individual's time is spent on research, instruction, administration, teaching, or other activities. It is the salary you receive benefits on.

- The IBS includes regular salary, administration such as chair duties, instruction, institutional committees and meetings, (IRB, IACUC, ad hoc, etc.), and temporary salary increases.
 - The IBS does not include extra service (such as supplemental or overload) compensation, bonuses, one-time payments, publication royalties, or incentive pay. IBS also excludes any income that an individual is permitted to earn outside of duties for the university. All salaries charged to sponsored awards will be based on an individual's IBS. IBS may not be increased as a result of receiving a sponsored award.
 - Intra-university consulting is assumed to be undertaken as a university obligation requiring no compensation in addition to full-time salary and is generally included in the base salary.
- 4.3. **Summer Salary:** Work during the summer months including summer teaching, research pay in any proportion, additional pay, etc.
- 4.4. **Extra Service (i.e. Supplemental or Overload Pay):** Extra compensation above the IBS paid to an eligible employee for performing additional work.
- 4.5. **Temporary Salary Increase:** An increase in base salary for a limited period of time, associated with a temporary increase in assigned duties and responsibilities.
- 4.6. **Monthly Base Salary:** $IBS \div 9$
- 4.7. **Summer Salary Base Limit Calculation from Sponsored Projects**
- **Base for 2.5 Ninths Limit Calculation: (RECOMMENDED):**
Institutional Base Salary $\div 9 \times \#$ months summer work $\times 83.3\%$. For example: if the faculty member has a nine month academic appointment, the faculty member's IBS is \$90,000, and the faculty will work for two months in the summer. The summer salary calculation is as follows: $(\$90,000 \text{ IBS} \div 9 \text{ months}) \times 2 \text{ summer months work} \times 83.3\% = \$16,660$.
 - **Base for the full 3/9th Limit Calculation: (REQUIRES HR SUPERVISOR AND CHAIR APPROVAL)**
Institutional Base Salary $\div 9 \times 3$
- 4.8. **Beginning and end dates for calculating summer salary:** May 15th – August 15th
- 4.9. **Calculating Summer Compensation from Sponsored Projects: 2.5 Ninths Limit – Total \$ Summer Compensation Earned = Maximum faculty member can pay themselves from the grant(s) to remain in compliance with the university practice.**
- It is recommended that a faculty member on a nine-month contract earn only up to 2.5 months summer salary.
 - Total summer compensation earned will be functionally restricted to recommended university 2.5 ninths (unless the maximum 3 months 100% has been requested and approved by the HR Supervisor and Chair) limit of the AY salary if any portion of that salary is earned from sponsored research. Compensation earned during the

summer months from the following activities is subject to the recommended 2.5 ninths limit:

- Compensation for summer teaching with either the summer school or continuing education
- Summer research
- Training sessions that include a payment for attendance
- All compensation not specifically stated above that requires expending effort on the part of the faculty member.

4.10. **1/9th Limit Calculation from Sponsored Projects:** Institutional Base Salary ÷ 9 x 83.3%

- Federal regulations restricts the amount a faculty member can charge to a grant in any given summer month to no more than 1/9th of the IBS.
- In a summer month (May 15th thru August 15th), where a faculty earns compensation from multiple sources (i.e., teaching, research), the compensation added together from all activities may not exceed the academic year monthly rate of 1/9th.
- Compensation earned in any given summer month that is derived solely from teaching activities is not subject to the 1/9th limits. The 1/9th limit only applies in a summer month where any fraction of summer compensation is earned from sponsored research grants.
- If a grant begins mid-month, the faculty member is subject to the 1/9th limit but it is not possible to earn an entire 1/9th of their IBS that month from the grant. To calculate the amount the faculty member can earn during that month, you would divide the 1/9th limit by the total workdays (defined as Monday – Friday) during that month to determine the daily rate. Then, multiply that daily rate by the number of workdays from the start date of the grant to the end of the month to get the maximum amount of compensation the faculty can earn that month from the grant. The remaining difference between that and the 1/9th limit can be earned from compensation from other activities (such as teaching).

5. Procedure

- 5.1. Request for summer salary is made by completing the online form in the PeopleSoft self-service **SUMMER SALARY REQUEST FORM** (LINK TO INSTRUCTIONS).
- 5.2. Summer salary requests will continue to be initiated by faculty.
- 5.3. Summer salary enrollment will open April 15th and close May 15th each year.
- 5.4. All summer salary requests paid from a sponsored project will be routed to the Division of Research for review and approval.
- 5.5. The Division of Research will verify the salary, budget, period, and approve as appropriate or return to the sender for corrections.

- Please note, any requested amount may need to be reduced due to constraints imposed by either: 1) a specific sponsor, 2) a specific program, 3) the specific terms and conditions of a particular award, or 4) lack of funding.
- Any requests for the full 3/9ths maximum earned from 100% sponsored awards will require HR Supervisor and Chair approval. The request form will note the exception and submits the request to the individual's HR Supervisor and Chair for approval. If the exception is not approved, the request is sent back to the individual. If it is approved it is routed back to the Division of Research.

5.6. Once the Division of Research approves the final summer salary request a payroll authorization is created. The Division of Research is responsible for checking and maintaining the correct IBS amounts that is populated in the PeopleSoft payroll authorization system. Once reviewed and if correct, the Division of Research will then submit the payroll authorization through the standard payroll authorization system approval workflow.

5.7. Once Payroll receives the final payroll authorization approval, it is processed into the next payroll cycle.

5.8. Submissions after May 15th that are considered late will be routed to the HR Supervisor and Chair for approval.

5.9. Failure to adhere to these dates will delay any payments to the next payroll cycle.

6. References

- 6.1. PeopleSoft Self-Service Summer Salary Request Instructions ([LINK](#))
- 6.2. [Clarkson University Operations Manual Section 4 – Compensation Policies](#)
- 6.3. [OMB Uniform Guidance](#)
- 6.4. [NSF Documentation of Personnel Compensation](#)
- 6.5. [NIH Salary Limitation on Grants, Cooperative Agreements, and Contracts](#)
- 6.6. Clarkson University's [Budget Preparation Guide](#)

7. Frequently Asked Questions

7.1. Q1: Professor A's AY salary is \$54,000. Professor A plans to pay her entire summer salary from a grant she has received. In other words, she would like to use 100% of her 2.5 ninths. Her calculated 2.5 ninths limit is \$14,994 ($\$54,000 \div 9 = \$6,000 \times 3 \text{ months} \times 83.3\%$); her recommended 1/9th limit is \$4,998. Since 100% of her summer salary is derived from research activities, it is recommended that she earn no more than \$4,998 in any month or a total of \$14,994 from May 15th thru and August 15th.

7.2. Q2: Professor B's AY salary is \$54,000. Her recommended 2.5 ninths limit is \$14,994; her 1/9th limit is \$4,998 (see Q1). Professor B has no research funding to pay herself over the summer so she decides to teach two classes in June at a rate of \$4,000 per class, for a total of \$8,000. Since 100% of her summer salary is derived from teaching activities, she is not subject to the 1/9th limit of \$4,998. As long as she does not receive any payment from a

sponsored research grant, she is also not subject to the recommended \$14,994 limit over those summer months.

7.3. Q3: Professor C's AY salary is \$54,000. Professor C is the chair of her department and receives a stipend in the amount of 21% of her AY salary paid over 12 months or \$945 per month ($54,000 \times 21\% = 11,340 / 12$ months). Her recommended 2.5 ninths limit is \$18,143 and her recommended 1/9th limit is \$6,048. Professor C also has a grant, which she plans to use to pay herself a summer salary. The maximum salary she can pay herself from her grant while staying in compliance with the 1/9th limit at the recommended 83.3% is \$6,048.

7.4. Q4: Professor E's AY salary is \$63,000. He will be teaching one summer school class in June for \$4,000 and wants to pay himself from his grant during the months of July and August. He did not have money to pay himself from the grant in June but would otherwise like to pay himself from his grant the recommended limit for the remaining months. His recommended 2.5 ninths limit is \$17,493 ($\$63,000 \div 9 = \$7,000 \times 3$ months $\times 83.3\%$); his recommended 1/9th limit calculation is \$5,831 ($\$63,000 \div 9 = \$7,000 \times 83.3\%$). From June to July he earned a total of \$9,831. Over the course of the summer months, he is not able to earn his entire 2.5 ninths limit and remain in compliance with the recommended university 1/9th limit. See Table 1 below.

Month	1/9th Limit	Class	Charged to Grant	Total Earned	Cumulative Total
June	\$5,831	\$4,000	-	\$4,000	\$4,000
July	\$5,831	-	\$5,831	\$5,831	\$9,831
August	\$5,831	-	\$5,831	\$5,831	\$15,662
Total	\$17,493	\$4,000	\$11,662	\$15,662	\$15,662

7.5. How should I determine if salary should be academic year vs. summer?

Salary should be charged during the time period that the effort is expended. If the effort is spent during the academic year, the salary should be charged during the academic year. If the effort is spent during the summer, the salary should be charged during the summer. If the effort is spent as a combination of academic year and summer, the salary in the grant should reflect that as well.

7.6. Is there a limit to how much salary I can charge to a grant?

Each organization has its own rules and regulations governing limitations on salary charges about which you need to be aware. Some typical items that will create a potential red flag

for a sponsor or an auditor is a faculty member with 100% effort, or fully committed for 3 months over the summer for a nine month employee. Fully committing your time and effort means you work on nothing but the research, and do not work on other activities such as administration or even grant writing of future proposals. Fully committing your summer time means you take no time off or vacation over the summer. The University recommends 2.5 ninths of a faculty member's institutional base salary as the maximum summer salary compensation.

Revision History & Approvals

8/4/2015 Reviewed and approved by the Business Practices Committee