

Guidelines for Calculating Summer Salary Charged to Extramurally-Funded Research and Sponsored Programs

1. Introduction: Faculty and investigators holding academic year appointments may conduct research and other activities supported by extramurally-funded awards during the off-contract period (i.e., summer months). The following guidance is offered for those who receive compensation during the summer months of May, June, July and August, for effort on research or other extramurally-sponsored activities.

Faculty who hold supplemental administrative appointments (e.g., Associate Deans of Research, Center Directors, etc.) should confirm with NU-RES specific levels of commitment on grants and contracts allowable in conjunction with their total professional activities during the summer to make sure that their total salary support on grants (SSOG) during the off-contract period is below the University's maximum off-contract effort cap (3.2 person months for faculty holding 8 month academic appointments).

Please see Section 4 for examples of how to calculate salary support on grants.

2. Definitions:

- a. Institutional Base Salary:** Please see Northeastern's *Policy on Institutional Base Salary for Extramurally-Funded Sponsored Projects*. Components of IBS may include compensation for faculty appointments as well as any supplemental endowment and/or administrative appointments.
- b. Summer Salary:** Compensation paid to investigators holding academic year appointments who perform research or other sponsored activities on one or more grants or contracts during the off-contract period. Calculations are based on the 2021-2022 base salary.
- c. Summer:** The months of May, June, July and August.¹
- d. Total Professional Activities:** The entirety of the professional commitments of the faculty member to Northeastern, during the academic year and summer, based on their respective appointments.

3. Background: Salary Support on Grants (SSOG) is calculated based on the individual's IBS monthly equivalent x person months (i.e. level of commitment/effort).² Northeastern is reimbursed by the funding agency for salary/fringe charged to awards.

¹ For Faculty holding 8-month academic year appointments, the maximum allowable charge to extramurally-funded awards during the Summer is 3.2 person months. For faculty holding 9 month academic year appointments the maximum allow charge is 2.4 person months. For Faculty holding faculty and administrative appointments, effort must be allocated between their respective appointments. For guidance about allowable effort during the academic year please contact NU-RES.

² Please Contact NU-RES for guidance related to measurable effort, allowable proposed levels of commitment and salary requested on grants and contracts. The formula for calculating SSOG is *IBS Monthly Rate X PM*; the formula for calculating person months: *FTE x Percent Effort x Budget Period = Person Months*. For example, a 1.0 FTE committing 50% effort over a 4-month period = 2 person months; a 1.0 FTE committing 50% effort over an 8 month period = 4 person months.

- a. Allowable summer SSOG is based on an individual's Institutional Base Salary (IBS) and that individual's level of effort allocable to that specific award during the summer period as represented by person months. Summer SSOG is capped at 3.2 person months for individuals holding 8-month academic year faculty appointments.
- b. Requests for summer salary should be included in the original grant or contract proposal/application. Requests not included in the original proposal may require funding-agency prior approval.

4. Calculating Summer SSOG: The examples below take into account documented IBS amounts.

- a. **8-Month Faculty Appointment:** Salary for the summer is determined for those holding an academic year appointment by dividing the academic appointment salary by the term of the appointment (typically 8 months) and then multiplying that monthly compensation amount by the percent effort per summer month for the work performed as represented by person months.

EXAMPLE: Dr. W has an 8-month appointment at a salary of \$56,000. Dr. W will spend 2.5 person months during the summer conducting federal grant-funded research.

- o $\$56,000/8 = \$7,000$ monthly salary
- o Dr. W spends 100% of her summer effort for 2.5 months
- o $\$7,000 \times 2.5 \text{ person months} = \$17,500$.

- b. **8-Month Faculty Appointment + Supplemental Administrative Appointment³:**

- i. A faculty member with an 8-month faculty appointment who also has a 12-month administrative appointment (*e.g.*, department chair, center director, etc.) divides each appointment's compensation (salary) by the number of months for that respective appointment term (base). That is, for example, faculty academic appointment salary is divided by 8 and administrative appointment is divided by 12.

EXAMPLE: Dr. X has an 8-month appointment at a salary of \$80,000. Dr. X also has a 12-month appointment as Chair with an administrative supplement of \$12,000. Dr. X will devote 100% effort over 2.5 months during the summer conducting grant-funded research.

- o $\$80,000/8 = \$10,000$ monthly salary +
- o $\$12,000/12 = \$1,000$ stipend salary
- o *Total of \$11,000 compensation per month*
- o $\$10,000 \times 2.5 = \$25,000$ (Extra Comp Form)
- o $\$1,000 \times 2.5 = \$2,500$ (PDC to grant)
- o $\$11,000 \times 2.5 \text{ person months} = \$27,500$

A minimum of two forms are required to process Dr. X's summer salary. An extra compensation form is first required to pay his summer salary which would amount to \$25,000 in this example (\$2,500 is already scheduled to be paid from the college for his administrative appointment. Please note that Dr X. is scheduled to receive \$4,000 from his administrative appointment over the summer but we are only moving \$2,500 to the sponsored project because of 2.5 months effort). A PDC form is then required to reallocate the \$2,500 from his college administrative appointment to the grant.

³ Please contact NU-RES for guidance on allowable levels of commitment (person months) and SSOG during the summer months if your faculty member also has a supplemental appointment.

Please make sure to submit the PDC and extra compensation form at the same time and cross reference the forms (i.e. enter the PDC request number on the extra comp form).

- ii. A faculty member with an 8-month faculty appointment who began an administrative appointment on January 1st (e.g., Associate Dean, etc.) will use the same annualized formula to establish the IBS.

EXAMPLE: Dr. Y has an 8-month appointment at a salary of \$80,000. Dr. Y was recently appointed as the Associate Dean of Research with an annual administrative supplement of 12,000; Dr. Y will devote 100% effort over 2.5 months during the summer conducting grant-funded research.

- $\$80,000/8 = \mathbf{\$10,000}$ monthly salary +
- $\$12,000/12 = \mathbf{\$1,000}$ stipend salary
- *Total of \$11,000 compensation per month*
- $\$10,000 \times 2.5 = \$25,000$ (Extra Comp Form)
- $\$1,000 \times 2.5 = \$2,500$ (PDC to grant)
- $\mathbf{\$11,000 \times 2.5 \text{ person months} = \$27,500}$

A minimum of one extra compensation form and one PDC form are also required in this case per the example above.

- iii. A faculty member with an 8-month faculty appointment who also has a 12-month administrative appointment (e.g., department chair, center director, etc.). The department/college is requesting the maximum 3.2 person months allowed.

EXAMPLE: Dr. Z has an 8-month appointment at a salary of \$80,000. Dr. Z also has a 12-month appointment as Chair with an administrative supplement of \$12,000. Dr. Z will devote most of his effort during the summer conducting grant-funded research; his total professional effort during the summer includes his supplemental administrative responsibilities. Dr. Z has reached out to NU-RES to discuss the maximum levels of 3.2 months of effort on extramurally funded research activities.

- $\$80,000/8 = \mathbf{\$10,000}$ monthly salary +
- $\$12,000/12 = \mathbf{\$1,000}$ stipend salary
- *Total of \$11,000 compensation per month*
- $\$10,000 \times 3.2 = \$32,000$ (Extra Comp Form)
- $\$1,000 \times 3.2 = \$3,200$ (PDC to grant)
- $\mathbf{\$11,000 \times 3.2 \text{ person months} = \$35,200}$

Notes:

Allocability: As with any work on any extramurally-funded sponsored project, the charging of summer salary to sponsored funds must be allocable and in direct proportion to the effort spent on that project during the summer. In addition, for individuals holding faculty and administrative appointments their proposed effort on extramurally-funded projects must be allocated in conjunction with their total professional (e.g. supplemental administrative) activities being conducted during the summer (off-academic-year) period.

Salary Caps or Limitations: Some federal sponsors, like the NIH, have policies that cap or limit salary charges to federal awards, which will also apply to summer salary charged to the award. Amounts over the cap may be paid by the college's discretionary funds as properly approved by deans and subsequently

authorized by the Provost's office. Requests for approval to use discretionary funds for additional summer salary to cover salary over the cap must come, in writing, from the Dean to the Senior Vice Provost of Budget, Planning and Administration.

Funding Agency Regulations & Policies: It is important to consult applicable external policies when calculating summer salary. All charges to a sponsored project must be in compliance with external sponsor and university policies.

For assistance in calculating an individual's IBS, to confirm allowable salary expenditures charged to grants and contracts, or if you have questions regarding when extra service pay may be allowable on a proposal, please contact NU-RES@northeastern.edu.