

GUIDANCE ABOUT CHARGING SALARIES OF ADMINISTRATIVE, CLERICAL PERSONNEL AND FACULTY ON GRANTS AND CONTRACTS

ADMINISTRATIVE AND CLERICAL PERSONNEL

The salaries of administrative and clerical and support staff are normally treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if ALL of the following conditions are met {2 CFR 200.413(c)}.

- 1) Administrative or clerical services are integral to a project or activity.
 - o *“Integral” means the services are essential, vital, or fundamental to fulfilling the completion of the stated goals and objectives of the project or activity. Integral and non-integral involvement are defined below.*
- 2) Individuals involved can be specifically identified with the project or activity.
 - o *The individual must spend a minimum of 10% of their time on the project in order to justify that the individual is integral and specifically identifiable with the project. Amounts less than 10% are deemed minor items and will be treated as indirect costs for reasons of practicality where such accounting treatment for that item of cost is consistently applied to all Federal and non-Federal cost objectives.*
- 3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- 4) The costs are not also recovered as indirect (F&A) costs.
 - o *TTU recovers 20% of administrative salaries as indirect costs (F&A) as reflected in the indirect cost rate negotiation with the Department of Health and Human Services. Therefore, TTU will charge up to 80% of administrative salaries on grants and contracts in compliance with 2 CFR 200.413 and 2 CFR 200.430 if all of the above four conditions are met.*

Senior level administrative employees (including but not limited to the President, Provost, Academic Deans, Vice Presidents, and Associate Vice Presidents) are not eligible to receive extra compensation for activities performed within the University. Salaries of senior level administrators may not be used as cost-share on grants and contracts.

Integral involvement

Most projects will require a basic level of administrative support; this support is generally not considered significant or unique to the project and therefore **not integral**. Projects that require direct charging of administrative support should **have an unusual type or volume of administrative tasks**. Following are examples of projects where administrative and clerical activities **might be** integral and allocable to the project:

- Large, complex programs such as Clinical & Translational Science Award, Program Projects, environmental research centers, engineering research centers, and other grants and contracts that entail assembling and managing teams of investigators from a number of institutions.
- Projects which involve extensive data accumulation, analysis and entry, surveying, tabulation, cataloging, searching literature, and reporting (such as epidemiological studies, clinical trials, and retrospective clinical records studies).

- Projects that require extensive travel and meeting arrangements for large numbers of participants, such as conferences and seminars.
- Projects whose principal focus is the preparation and production of manuals and large reports, books and monographs (excluding routine progress and technical reports).
- Projects that are geographically inaccessible to normal departmental administrative services, such as research vessels, radio astronomy projects, and other research field sites that are remote from campus.
- Individual projects requiring significant amounts of project-specific database management; individualized graphics or manuscript preparation; human or animal protocols; and multiple project-related investigator coordination and communications.
- Programs that support non-research type aims more oriented toward students, trainees, fellows and participant support
- Programs that involve direct and frequent engagement with a foreign collaborator wherein the administrative support is directly assisting in the management of the technical and financial completion of the aims

Non-integral involvement

Normally, salaries of administrative and clerical personnel for the following functions are treated as indirect costs. The list is not exhaustive

- Assisting with proposal processing
- Monitoring projects for fiscal and administrative compliance
- Assisting with general correspondence internally and with collaborators
- Assisting with technical/program reports
- Ordering supplies/equipment
- Managing human resource responsibilities
- Making meeting/travel arrangements for the principal investigator and/or students

FACULTY

COSTS OF COMPENSATION: 2 CFR 200.430

Costs of compensation are allowable to the extent they satisfy the specific requirements of this part, and the total compensation for individual employees:

- 1) Is reasonable for the services rendered and conforms to the established written policy and of the non-Federal entity consistently applied to both Federal and non-Federal activities;
- 2) Follows an appointment made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable; and
- 3) Is determined and supported as provided in paragraph (i) of UG 2 CFR Part 200.430 section, Standards for Documentation of Personnel Expenses, when applicable.

INSTITUTIONAL BASE SALARY (IBS)

- ≡ Charges for work performed on Federal awards by faculty members during the academic year are allowable at the Institutional Base Salary (IBS) rate. In no event will charges to Federal awards, irrespective of the basis of computation, exceed the proportionate share of the IBS for that period. This principle applies to all members of faculty at an institution. IBS is defined as the annual compensation paid by the University for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the University. Unless there is prior approval by the Federal awarding agency, charges of a faculty member's

salary to a Federal award must not exceed the proportionate share of the IBS for the period during which the faculty member worked on the award.

INTRA-UNIVERSITY CONSULTING

- ≡ Intra-University consulting by faculty is assumed to be undertaken as a University obligation requiring no compensation in addition to IBS. However, in unusual cases where consultation is across department lines or involves a separate or remote operation, and the work performed by the faculty member is in addition to their regular responsibilities, any charges for such work representing additional compensation above IBS are allowable provided that such consulting arrangements are specifically provided for in the Federal award or approved in writing by the Federal awarding agency.

This policy takes into consideration that faculty at Institutions of Higher Education (IHEs) are already being paid to conduct research as one of the normal functions of their appointment. Normally, extra (or overload) compensation for work performed during the period of appointment is not permitted, except if it is outside the scope of employment and in addition to the assigned duties of the individual as documented in the agreement of responsibilities and the terms of employment.

EXTRA COMPENSATION

- ≡ Extra compensation for faculty is allowable if **all** of the following conditions are met:
 - 1) The work performed on the grant or contract is outside of and in addition to the employee's scope of employment as described in the agreement of responsibilities or other documents maintained by the University and provided to the Office of Research;
 - 2) The rate of pay does not exceed the proportionate share of the institutional base salary;
 - 3) The extra compensation is specifically authorized by the funding agency, or included and justified in the proposal budget and approved in writing by the department chair, dean, and the funding agency.

UNIVERSITY PRACTICE

- ≡ Faculty who work on grants and contracts during the period of their employment may charge the time worked as release time. Summer salary is allowed for faculty members on nine month appointments if it conforms to the Federal awarding agency guidelines. Advance payment for summer salary is not allowed, and it is not permissible to receive summer salary for work performed during the academic year.

RELEASE TIME

- ≡ Faculty working on sponsored projects may be released from their regular duties by the department chair or other responsible persons for that period of time and percentage of effort to be devoted to the sponsored project. If such faculty continue to be paid from departmental funds while working on a sponsored project, then that portion of their salary and fringe benefits related to the sponsored project effort, represents cost-sharing to the project. Alternatively, if faculty are appointed to and paid from the sponsored project budgetary account on which they work, then departmental (University) budget money will be released. These State funds can then be used for other purposes within the University (subject to the approval of the department chair and dean and in conformity with University policy. The principal investigator may request the department chair and/or dean to use these State funds for project related costs.