

Rice University Policy No. 311

SALARY SUPPORT THROUGH SPONSORED PROJECTS

Policy

It is the policy of Rice University to comply with all federal and sponsoring agency regulations and agreements with sponsors of research relating to salary support under sponsored projects. Direct charges to sponsored projects must reflect effort expended during the project period and must be allowable per the terms and conditions of the award and within the available project budget. The amount charged to a sponsored project should reflect the work performed and should be reasonable in relation to 100 percent of total effort for all activities within an effort reporting period as defined in Rice University Policy No. 304, Effort Reporting. Sponsor restrictions on salary costs, including limits on academic year time and salary caps, may limit allowable direct compensation expenditures.

Definitions

Faculty Appointment Period. Faculty appointment period: This is the period during the fiscal year that a faculty member's academic and/or research duties are performed and the institutional base salary is earned. Typically this appointment period is for the nine-month academic year which runs from August 16 to May 15; however, some faculty appointment periods may be made for less than or greater than nine months depending on the appointment requirements.

Compensation. Compensation includes salary and fringe benefits.

Faculty Academic Year Salary. For purposes of faculty compensation, the academic year is defined as the nine-month period from August 16 through May 15.

Faculty Summer Salary. For purposes of faculty compensation, the summer months are defined as the three-month period from May 16 through August 15.

Faculty Institutional Base Salary. A full-time faculty member normally receives a base salary for the nine-month academic year. Faculty members who do not have a full-time appointment, or who have an appointment of more or less than nine months, will still have an approved base salary set by the University. The base salary, appointment period and full-time equivalency of the faculty position shall be used to calculate the maximum rate of pay per period for time worked outside the University-compensated appointment period.

1. Faculty

Faculty members have academic appointments for teaching and mentoring students, university service obligations and research, scholarship, and creative activities during their appointment periods, usually the academic year. Faculty on nine-month, full-time academic appointments are normally permitted to obtain up to three months of salary and associated benefits from sponsored projects outside of the academic year, consistent with terms and conditions of the project award and effort devoted to the project. It is understood that effort is performed on sponsored projects during the academic year, in addition to effort performed in the summer months. Accordingly, principal investigators (PIs) may request that effort performed on sponsored projects during the academic year be directly charged to the awards in accordance with this policy and related procedures.

a. Academic Year Salary

At the request of the PI and with the approval of the department chair and responsible dean, up to one-third of the academic year appointment salary (e.g., three months of a nine-month appointment) may be charged directly to sponsored projects. Such allocation of effort for research or other sponsored project activities is not intended to encourage a reduction of the faculty member's teaching and mentoring load or university service obligations. Provost approval is required to charge more than one-third of academic year effort to sponsored projects. In those cases where a PI has also counted a portion of academic time as cost-sharing, the total directly charged to sponsored projects, plus any cost-sharing of academic year time, may not exceed one-half of the academic year appointment without the approvals of the chair, responsible dean and Provost. Requests that require the approval of the Provost will be granted only in unusual circumstances.

Procedures for charging academic year time to sponsored projects are available on the Research and Cost Accounting website.

b. Summer Salary

A faculty member may receive compensation for effort on sponsored projects outside his or her appointment period consistent with sponsor award terms and conditions and subject to the availability of funding. Compensation for effort charged to a sponsored project must be for work that benefits the sponsored project performed during the period for which the compensation is paid. Faculty compensation for summer salary months not included in the academic appointment period may not exceed the approved maximum base salary rate per pay period.

The Payroll Forms section of the Controller's website has additional information, including guidelines regarding summer salary.

In limited circumstances, benefits-eligible faculty who would otherwise be paid from sponsored projects may be eligible to request short-term disability pay during the summer recess period according to Human Resource Policy No. 423, Short-Term Disability. Faculty do not earn benefit time and are eligible to be paid only for periods when work is performed for the University.

2. Staff and Students

Compensation for staff and student personnel working directly on sponsored projects should normally be charged to the award consistent with the terms and conditions of the project award and effort expended on the project. Most federal awards do not permit direct charging of administrative and clerical salaries.

When an externally funded project requires employment of staff, the duration of employment is contingent upon the continuing availability of external support for the position. Benefits eligible staff should generally exhaust all benefit time **before** funding for the position expires; any exceptions must be approved in advance by the department chair, who then should identify a departmental funding source for this expense. The department is responsible for

informing the staff being hired of these conditions **at the time of hire**. Post-doctoral research associate benefit time is governed by Rice Policy 405.

3. Proposal Salaries

All University employee salary increases are based on merit and do not include automatic cost-of-living increases. However, for budgetary purposes in the preparation of multi-year proposals, the salary support for faculty, staff and students participating in the sponsored project should be incrementally increased for each fiscal year. The Office of Sponsored Research will provide advice on the appropriate rates to be used in this calculation.

4. Other Salary-Related Costs

Fringe benefits and tuition remission costs will be charged to sponsored projects at approved University rates based on the amount of the compensation charged to the projects. When a sponsored agreement specifically prohibits charging fringe benefits and/or tuition remission, the department's unrestricted fringe benefits budget will be charged for those expenses automatically when paid. Any deficit in the departmental budget caused by these charges will be funded centrally.

All salary and compensation payments to individuals charged to sponsored projects are subject to applicable tax, benefit and other deductions.

5. Release of Institutional Funds

Institutional funds budgeted for faculty salary and fringe benefits during the academic year that are released as a result of charges to sponsored projects are available for discretionary use. It is the responsibility of the dean, in consultation with the chair, to determine the allocation of the released funds. While such funds are ordinarily distributed back to the PI, the decision regarding use of such funds rests with the respective dean and chair as there could be other considerations.

Procedures for the release of institutional funds are available on the Research and Cost Accounting website.

6. Roles and Responsibilities

The **Vice President for Finance**, together with the **Vice Provost for Research**, is responsible for establishing and updating Rice's salary support through sponsored project policy.

Deans, associate and assistant deans and department chairs are responsible for understanding and ensuring compliance with Rice University's salary support through sponsored project policy and procedures. This includes providing oversight, effective processes and controls, and problem resolution.

Each **Principal Investigator (PI)** is responsible for ensuring compliance with Rice's salary support through sponsored project policy for his / her awards, including awards on which the PI serves as a Co-PI. The PI is responsible for satisfying his / her own effort commitments and overseeing and reporting effort commitments of those paid from, or contributing to,

sponsored projects, including staff, undergraduate and graduate students, and post-doctoral fellows.

Department administrators are responsible for assisting the PI with reviewing his / her academic and summer workload plan to ensure that effort commitments are met. Department administrators are responsible for reviewing, with the PI, the effort, salary and labor charges, as recorded in accounting reports and on applicable forms, on a regular basis and submitting timely documents to make changes or corrections if needed.

Research and Cost Accounting (RCA) is responsible for assisting PIs and department administrators in complying with Rice's salary support through sponsored project policy. RCA also is responsible for approval of applicable labor distributions.

The **Office of Sponsored Research (OSR)** is responsible for assisting PIs and department administrators with compliance with Rice's salary support through sponsored project policy.

The **Provost** is responsible for approving requests to charge more than one-third of academic year effort to sponsored projects. The Provost is also responsible for approving requests to charge more than one-half of the academic appointment directly to, and/or cost shared on, sponsored projects.

The **Budget Office** is responsible for processing budget transfer memos related to release of institutional funds.


The **Payroll Office** is responsible for processing departmental payroll distributions.

The **Human Resources Office** is responsible for processing personnel documents related to this policy.

Contact Offices

Pre-Award: The **Office of Sponsored Research** should be contacted for assistance on proposal procedures and budgets.

Post-Award: **Research and Cost Accounting** should be contacted for assistance on salary-related expenditures.


David Leebron, President

Revised: October 5, 2010

Supersedes:
Policy No. 311-90
Policy No. 311-98

Related Policies

Rice Faculty Policy No. 201, Faculty Appointments, Promotions, and Tenure

Rice Research Policy No. 305, Tuition Remission

Rice Research Policy No. 306, Cost Sharing

Rice Human Resources Policy No. 404, Policy on Dual Employment and Multiple Jobs

Rice Human Resources Policy No. 405, Benefit Time

Rice Human Resources Policy No. 423, Short-Term Disability