

## Budget Policies 11/1/2010

### Charging Salaries to Grants:

Proposal budgets for externally funded/sponsored grants and contracts should reflect realistic regular salary charges for all personnel expected to be working on the project, including the principal investigator. Once awarded, regular salary should be charged according to the actual level of effort of each person working on the project during the course of the academic year. This includes the regular salary of the principal investigator. This is particularly important in the case of state-funded employees, whose salaries should not be used to subsidize their work done on sponsored research projects.

### Summer Salary:

University policy states that faculty may receive summer compensation when permitted by funding sponsor policy, and when approved by the University. Full time (summer) compensation obligates the faculty member to work full time on the sponsored program for the entire period for which compensation is paid. Part time summer compensation obligates the faculty member to work according to the percentage of time appointed. Full time summer compensation will not be approved by the University if the faculty member did not work full time on the sponsored program during that time period. If a faculty member works on a project both during the academic year and during the summer, an appropriate amount of salary should be charged for both time periods. It is not appropriate to work on a sponsored program during the academic year, not charge for the work during that period, and charge the entire amount of salary as summer salary. In the instance of a 1/11 (calendar year faculty) or 3/9 (academic year faculty) payment, faculty must forego vacation entirely during that fiscal year.

### School's Use of Salary Savings:

In order to adhere to the University's budget policies, 'salary savings' realized from charging a state-funded employee's regular salary against a sponsored program go back to the school for allocation to instructional and general school administration uses and cannot go back to centers for supporting externally funded research.

### Generating F&A:

Facilities and Administrative (F&A) Costs are shared expenses related to University facilities and administration that cannot be identified readily and specifically to any particular sponsored program. Facilities and Administrative Costs should be included in all proposed budgets for sponsored research. The University's current Federally-negotiated F&A Costs rate is 55%. This rate should be used for all proposals unless the proposed sponsor has clear written guidelines that restrict F&A Costs to a rate less than the University rate. For example, State of NJ agencies typically will pay only 10% in F&A Costs. Effective 7/1/2011, 50% of the F&A Costs charges on sponsored research are returned back to the School, and are used in part for general administration of the School's oversight of research. Centers may request back (from the Dean) some portion of the F&A Costs returned on their projects to cover expenses that cannot be charged directly to sponsored research projects.

Charging Administrative Salaries on Corporate and Foundation grants:

While administrative salaries are not an allowable charge on Federal and State of NJ awards, there is no general rule prohibiting these charges on corporate or foundation grants. The PI should include a charge for administrative salaries in proposed budgets for external funding from these sources, particularly in cases where F&A Costs are not allowed in the budget, unless these administrative salary costs are specifically prohibited by the sponsor.

Endorsement Form Procedures:

All proposal budgets and endorsement forms must be approved by the Dean prior to the proposal's submission to the potential funder. The Dean will not sign off on an endorsement form with a budget that does not realistically reflect the salary charges of the PI and others working on the project.