

Office of the Provost Yale University

To: FAS and FES Faculty Members
From: Peter Salovey, Provost
Subject: Salary from Grant Funds
Date: 20 March 2009

In the Faculty of Arts and Sciences and in the School of Forestry and Environmental Studies, the University has traditionally provided a nine-month academic year salary paid in twelve monthly installments over the calendar year. In addition, FAS and FES faculty conducting externally funded research during the summer months have been permitted to charge summer salary for that work to sponsors, but they have generally not charged sponsors for effort devoted to these projects during the academic year.

Many members of the faculty have asked whether it is possible to align actual effort on externally funded research with compensation provided by funding agencies in a more meaningful way. This memo describes a new compensation program that will be available so that faculty salaries can be charged to research grants and contracts in a manner that more closely reflects actual sponsored research activities and faculty obligations. The program is also intended to support nine-month faculty engaging in productive non-sponsored University activity during the summer by providing a source of University funding for that activity outside of the academic year.

Redistribution of Compensation from Sponsored Projects

Beginning July 1, 2009, the University will permit the charging of salary to sponsored projects during the academic year, coincident with when the effort is devoted to the project. Because teaching, advising, mentoring, and departmental and University service are assumed to account for about half of a faculty member's effort during the academic year, the maximum amount of academic year salary and effort normally chargeable to grants and contracts will be 4.5 months.

When a portion of academic year salary and fringe benefits is charged to sponsored projects, the University will place an amount equal to that portion in a special research account for use by the faculty member. Funds in the research account may be used (a) to provide for up to three months of summer salary, (b) as bridge funding, (c) to support new initiatives, or (d) for research-related expenses not normally allowable as direct costs on sponsored projects (consistent with University policies). In keeping with current policy, no more than 2.5 months of summer salary support may be charged to sponsored projects, but an additional one-half month of summer support may be added to this amount if charged to the special research account.

This program will assure that participating faculty members' total University salary will not be affected by whether they conduct research during the summer or the academic year. The program also will provide participating faculty with a source of direct

University compensation in return for engaging in University activities other than sponsored research during the summer months.

FAS and FES ladder faculty members with nine-month appointments are eligible for this program. Faculty members who wish to participate must distribute at least one month of salary from sponsored projects into the academic year, consistent with the terms of the sponsored project. They must obtain approval of the department chair and the cognizant provost for their salary allocation plan in each year prior to instituting the plan. The plan must begin on July 1 and end on June 30 and will be implemented by the department administrator.

Nine-month academic year salaries have typically been paid out over twelve months. However, starting July 1, 2009, in order to achieve a clearer correspondence of salaries paid and effort devoted to projects over the year, faculty members participating in this program will have their academic year salaries paid over the nine months of the academic year and will forgo the twelve-month alternative. Summer salary earned by them will be paid over the summer months, consistent with current practice. Be aware that under no circumstances will the University permit faculty to “buy out” teaching, advising, or administrative obligations. Approval of a proposed salary allocation plan by the chair and provost will not be granted without the faculty member’s assurance that all academic and administrative commitments will be met during the academic year.

Effective immediately, faculty wishing to participate in this program should request salary from external sponsors and make effort commitments that reflect when during the year the work on the award will be performed.

Generally, PIs can thus use any combination of compensation from sponsored projects to cover academic year and summer salaries, consistent with effort, so long as not more than a total of three months of summer salary are charged to the special research account and sponsored projects (subject to the 2.5 month limitation of summer support from sponsored projects), and academic year salary charged to sponsored projects does not exceed 4.5 months. All effort commitments (including any cost-sharing of effort) made to sponsors must continue to be met during the budget periods for which the commitment is made. Faculty accepting three summer months of compensation, no matter the sources (including the special research account), are expected to be working on scholarly and other University activities for the full summer.

Limitations on Salary Recovery from National Science Foundation Grants

The National Science Foundation (NSF) generally limits a PI’s salary requests to two ninths of academic year salary on any one grant proposal, and it also limits payments to two ninths of academic year salary from all NSF grants. In the past, the two ninths have been understood by faculty as payment for work carried out during the summer period. Recently the NSF issued a policy, effective January 2009, permitting salary to be paid anytime during the academic year or the summer, so long as the payment level is

commensurate with effort on the project(s). The program described in this memo is consistent with NSF policy.

Review of this Policy

This policy will be reviewed during its second year of implementation. This review will not place at risk any unrestricted research funds held in special research accounts under this program.

cc: Andrew B. Rudczynski, Associate Vice President for
Research Administration Deputy and Assistant Provosts
FAS and FES Deans FAS Department Administrators

Illustrations

Note: All illustrations assume that salaries charged to sponsored projects are commensurate with the effort devoted to those projects during the relevant time periods.

1. A Principal Investigator (PI) receives four months of salary support from a sponsor for use anytime during the budget period. The faculty member could expend four months of effort and charge the corresponding four months of salary during the academic year. The University then would deposit an amount equivalent to the four months' academic year salary and fringe benefits into a special research account. The PI could use these funds to support up to **three** months of summer effort and salary or allocate them (or the remainder), instead, to other research expenses.
2. A PI receives two months of summer salary from NSF (equal to two-ninths of the academic year) and one month from NIH. The faculty member may rebudget one month of NSF summer salary and fringe into the academic year, and devote one month's worth of effort to research during the academic year. The University then would deposit an amount equivalent to the rebudgeted one month's academic year salary and fringe benefits into a special research account. The PI could use these funds for up to one month of summer salary or allocate them, instead, to other research expenses.
3. A PI receives two months of summer salary from NIH and two months of salary from the "Biomedical Foundation" for a total of four ninths. The support from the Biomedical Foundation is not designated either for summer or academic year. The PI has several choices, among them the following: (a) The PI could charge two academic year months to the Biomedical Foundation grant and then charge two summer months to the NIH grant. In this scenario, the University would deposit the equivalent of two ninths salary and fringe – the

amount charged to the Biomedical Foundation grant during the academic year – in the special research account; (b) Alternatively, the PI could rebudget the NIH salary and charge two months of NIH salary and one month of the Biomedical Foundation to the academic year, retaining one month of the Biomedical Foundation salary for the summer. In that case, the University would deposit the equivalent of three ninths salary and fringe into the special use account. In either case (a) or (b) the PI could use the special research account funds to cover up to three months of summer salary and allocate any remaining funds to other research expenses.

4. A PI receives two ninths academic year salary from the NIH and two summer months salary from NSF for a total of four ninths. Consistent with the NIH grant's budget, two ninths salary would be charged to the NIH grant during the academic year and the two-ninths salary from NSF would be used in the summer, as awarded. The equivalent of two ninths salary (the NIH budgeted amount) would be placed in the special research account. The PI could use these funds to cover up to one summer month and allocate the remaining funds to other research expenses.

Frequently Asked Questions

1. **What is the maximum number of months of salary that may be charged to sponsored projects under this program?**

A Ladder Faculty member may charge up to 4.5 months during the academic year to sponsored projects. In addition, if funds are available, an additional 2.5 months of salary may be charged to sponsored projects during the summer. These salary charges must be commensurate with the effort devoted to the project during those time periods.

2. **May I go back and charge salary to sponsored projects to reflect my previous effort on those projects?**

No. Salary must be charged to the project(s) prospectively.

3. **If I elect to be in the program and choose to charge 1/9 of my salary in the 2009-2010 academic year, how many paychecks will I receive after July 1, 2009?**

Under this program, assuming sufficient sponsored project funds, you may charge summer salary to sponsored projects as usual for July and August of 2009, but you will not receive that portion of academic year salary paid in advance in July and August.

You will also receive 9 paychecks over the course of the academic year (September 2009 through May 2010) reflecting your total academic year salary. If you elect to take salary from the special research fund or from

sponsored projects in June 2010 you would receive 1 paycheck for that period.

4. **My summer salary is subject to the NIH salary cap. May I use the special research fund to make up the difference between the capped amount and my actual salary?**

Yes.

5. **Who can I call if I have questions about this program?**

Your first point of contact should be your business office. Prior to July 1, the Provost's Office and the Office of Research Administration will develop specific instructions on how to implement this program and will share them with your business office.

6. **What is the best way to distribute salary and effort across the academic year?**

The distribution of salary should reflect the anticipated distribution of effort across the academic year. For example, if you anticipate spending approximately 20% (or 1.8 person months) of your time throughout the academic year working on sponsored projects, 20% of your academic year salary should be charged to sponsored projects throughout the year. An amount equal to that portion of academic year salary and fringe benefits will be placed in the special research account for your use as either summer salary (for the following summer) or for other research purposes.