Guidance Memo: Faculty Summer Salary on Sponsored Projects (Fund 44)

Responsible Division(s): Research and Innovation Partnerships

Responsible Office(s): Sponsored Programs Administration

Responsible Officer (title only): Associate Vice President for Research/Executive Director Sponsored Programs

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# Background

Payments of summer salary to faculty have received increasing federal audit attention in the last few years, and those audits have resulted in significant disallowances and penalties resulting in large settlements by institutions of higher education to the federal government. These settlements included cases centered on faculty who were paid 100% from sponsored award funds for a full summer month yet took vacation time or performed non-grant related university activities during that same month. The audit findings disallowed a salary amount that was proportionate to the amount of vacation time taken or the amount of time spent on non-sponsored award activities, such as class preparation, proposal work, department committee meetings, etc.

Federal Regulations

As a recipient of federal funding, NIU is required to comply with the cost principles established in Uniform Guidance (2 CFR 200) which require that all costs be reasonable, allocable and consistently treated.  Compensation charges to sponsored projects must be for work that specifically contributes to and directly relates to the work under the award.

For periods outside the academic year, 2 CFR § 200.430 (h)(5) stipulates charges for work performed by faculty members on federal awards during periods not included in the base salary period (e.g. summer months) will be at a rate not more than the institutional base salary. This same section stipulates that teaching activities performed by faculty members on federal awards during periods not included in the base salary period (e.g., summer months) will be based on the normal written policy of the institution.

# Guidance

In consideration of federal regulations as well as recent audit events, the following summer salary guidelines apply when any part of faculty summer salary is funded by a sponsored award:

* Faculty on academic year appointments should not normally charge 100% of 3 months of summer salary to sponsored project funding.
* If faculty on academic year appointments charge 100% of 3 months of summer salary to sponsored project funding, the individual must attest that all activities during the summer will be directly related to the sponsored award(s) funding the summer salary. Requests should be made to the Associate Vice President for Research.

Specifically, the faculty member will need to confirm the following:

* + No vacation can occur during the summer. No participation in any University activities that are not specific to the grant funding the summer months, such as departmental administrative responsibilities, proposal writing for new or competing projects, student mentoring not related to the purpose of the project, etc. will be undertaken.

Additionally, for **any summer months**that are 100% funded by sponsored project funding, 100% of that time must be devoted to the project(s) providing funding. The following stipulations apply:

* A full-time summer salary month appointment is equal to 1/9 of an individual’s 9-month academic year salary. Any business or conference travel must be restricted to travel related only to the sponsored awards activities.
* Vacation may not be taken during the period that is being paid for by sponsored funds.
* Departmental administrative responsibilities may not be carried out during any period that is exclusively charged to the grant.
* All effort expended must be on the grant that is providing the salary.