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Dean of Research



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TO: Chairs, Faculty and Administrators
Arts, Sciences and Engineering

FROM: Paul F. Slattery, Dean of Research, AS&E
Gunta Lidars, Associate VP for Research Administration

RE: Revised Summer Salary Guidelines

The Federal Government is becoming increasingly strict in enforcing requirements regarding payment of summer salary to faculty working on federally sponsored research. Several universities have been subject to very comprehensive audits, some of which have resulted in substantial fines, in addition to the legal and staff costs incurred in preparing for and conducting these audits. We believe it is prudent to review our internal policies in response to these recent federal actions.

The fundamental principle is clear and unambiguous: During a month in which 100% of a faculty member's time is charged to a federal grant, 100% of his/her time must actually be devoted to research covered by the grant. Some activities that are specifically not allowed are:

- Vacation
- Teaching
- Academic administration
- Work on other research projects
- Proposal preparation
- Business or conference travel, except when exclusively related to work supported by the grant to which the salary is being charged.

Since none of these activities are permitted during a summer month in which a faculty member charges 100% of his/her salary to a federal grant, it has long been University of Rochester policy to permit no more than 2.5 months of summer effort to be charged to federally sponsored programs, unless an explicit exception to this policy has been granted. In the future, to assure full compliance with OMB Circular A-21 guidelines, this policy will be applied on a monthly basis: faculty may not charge more than 5/6 of any summer month to government sponsored research grants, except in truly exceptional circumstances.

To accommodate this change, faculty wishing to be compensated for more than 2.5 summer months will have the option of charging a fraction of their academic year salary to the grant that otherwise would have paid this additional summer salary. The academic year salary thereby unencumbered can then be used by the department to pay summer salary to that faculty member. We note that the NSF has recently revised the interpretation of its salary policy to clarify that while the agency will still limit total salary support to two months per year, faculty effort can be charged to NSF grants during the academic year to recognize the research efforts taking place during this time. Other agencies, such as NIH and the DOD agencies, have long been willing to compensate research effort expended during the course of the academic year. Under most research awards, the University has rebudgeting authority and can rebudget salary from summer to the academic year without explicit agency approval.

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The following considerations will govern the application of this procedure to specific cases:

- Faculty must actually work on research supported by grants paying any fraction of their salary during a particular period. It is essential that a faculty member's payroll allocation accurately reflect his/her activities during any given period.
- The academic year salary unencumbered by support from extramural sources and used to compensate faculty during the summer must be in addition to other commitments by that faculty member to charge academic year salary to external sources. This determination will need to be made on a case by case basis through discussions between the faculty member and his/her department chair. Department/School revenue sharing formulas will not be applied to academic year salary recovery that will later be used to pay summer compensation.
- Once the determination has been made to set aside academic year salary under this procedure, department administrators should work with the AS&E Financial Office to assure that the policy is being applied correctly and consistently. Among the details that will need to be taken into account are compensating for the different benefit rates applicable to summer and academic year salary, and accommodating the salary cap imposed by some federal agencies (e.g., the NIH).
- This change in policy is effective immediately. Faculty are encouraged to begin setting aside academic year salary during the spring semester for use in summer 2010.

In closing, we note that 1/6 of a summer month corresponds, on average, to 3.65 working days, which may not always be adequate to account for time spent on unallowed activities during that month. We therefore urge faculty wishing to charge in aggregate three full months of salary to federal grants over a twelve month period to consider charging to these grants more than 0.5 months of salary during the academic year in order to provide an additional margin of safety during the summer. Note also that there may be circumstances in which faculty charging fewer than three months of salary to federal grants may still wish to charge a portion of their externally derived salary to grants during the academic year.

Thank you for your adherence to these guidelines. Should you have any questions or concerns, please contact your ORPA representative or the AS&E Deans' Office.

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