

ARKANSAS STATE UNIVERSITY GUIDELINES FOR CALCULATION OF FACULTY SALARIES IN EXTERNALLY-SPONSORED PROGRAM ACTIVITIES

1.0 INTRODUCTION

Full-time faculty are normally expected to participate in scholarly activities that enhance the reputation of the University and contribute to economic development of the region and State. Externally sponsored programs often require commitments of faculty time that are reimbursed by the funding agencies.

2.0 PURPOSE

The purpose of this document is to provide guidelines for calculation of salary expenses as they are allocated to specific grant and/or match accounts.

3.0 DEFINITIONS

Base Salary. The faculty member's base salary is the amount that appears on the letter of contract each year.

Buyout. Buyouts are course releases that are generally used to foster increased research activity. Buyouts are often grant-funded but may also be funded by the University.

Effort Certification. Required by the government for federally-funded projects, effort certification is a process whereby investigators certify the time that they have spent on sponsored activities. The time devoted to a particular activity is expressed as a percentage of the total time spent.

Faculty Workload. Absent a research program, the typical load for a faculty member is to teach three classes each semester during the academic year. Consistent with the Faculty Handbook Section III.b., faculty members with active externally- or internally-funded research programs are allowed to buy out courses from semester to semester.

4.0 APPLICABILITY

These guidelines are applicable to all University employees who apply for or receive grant or contract funding from external sponsors.

5.0 REGULATIONS

Office of Management and Budget (OMB) Circular A-21
Arkansas State University Faculty Handbook 2006 as Amended 5/2010
Arkansas State University Governing Principles for Effort Certification (Draft)

6.0 GUIDELINES

6.1 Overview

The salaries of full-time faculty members, chairs of academic departments, and directors are full compensation for regularly-assigned activities performed in the areas of teaching, research, administration, or service for or in the name of the University. For the most part, the University pays faculty salaries; however, increasingly, external agencies are funding faculty salaries and benefits in exchange for their work on sponsored programs' activities. These guidelines address methods for calculation of salary expenses associated with externally-funded grant and contract proposals. They also address the circumstances under which the faculty may receive extra compensation that is associated with research activities.

6.2 Faculty Buyout

As proposals are developed, faculty are required to estimate their commitment of effort and request project-related salary and fringe benefit buyout to the fullest extent possible. Buyouts are calculated by determining the percent of effort required for the activity each semester. Twenty to twenty-five percent effort is usually equated to the level of effort required to teach one class.

Though commitment of salary and fringe benefit expenses to the direct costs of a grant is preferred, it is also possible to use the faculty's commitment of time when cost-sharing is required. Faculty buyout of any kind, whether funded by an external source or by the University, must be approved by the chair and dean of college.

The faculty member's base salary and percent of monthly effort are utilized to determine the amount of the buyout. For example:

Ex. 1 for a nine-month faculty member:

Nine-month base salary = \$50,000.00
Monthly salary = \$50,000.00/9
One month of buyout = \$5,555.55
75% of one month of buyout = \$4,166.66

Ex. 2 for a twelve-month faculty member:

Twelve-month base salary = \$60,000.00
Monthly salary = \$60,000.00/12
One month of buyout = \$5000.00
75% of one month of buyout = \$3,750.00

6.3 Summer Salary for Nine-Month Faculty

Nine-month faculty are eligible for summer compensation (the period between each academic year) from externally-funded sources, provided that the grant/contract allows such expenditures.

Subject to the review of the Shared Governance Committee.

Summer salary for research activities is calculated using the faculty member's base pay for the academic year, dividing by 9, and multiplying by the percent of effort. For example:

Nine-month base salary = \$50,000.00

Monthly salary = \$50,000/9 (\$5,555.55)

One and one-half months of summer salary = \$5,555.55 * 1.5 (\$8,333.33)

Twelve-month faculty are not eligible for summer salary.

6.4 Salary Enhancements

The University has adopted the federal government's prohibition concerning utilization of externally-sponsored programs to enhance the salaries of any of its employees. Specifically, charges to sponsored agreements may not exceed the proportionate share of the faculty member's base salary (OMB Circular A-21, 5/10/04 Rev, J.10.d.).

6.5 Extra Compensation for Sponsored Programs' Activities

State Limitations. The State of Arkansas allows payment of extra compensation under limited circumstances, but caps the total amount of compensation that nine- and twelve-month faculty may receive in any given fiscal year. For more information concerning these limits, contact the Office of Research Administration.

Extra Compensation Eligibility. The University has adopted the federal government's limitations concerning extra compensation to sponsored programs' activities. Specifically, extra compensation is limited to the following circumstances:

- where extra responsibilities are across disciplinary boundaries; or
- if the faculty member is consulting with a non-ASU entity,; and
- the work performed is in addition to the faculty member's regular departmental load, as defined above in the section entitled "Definitions."

If the faculty member receives extra compensation, such expense must be specified in the agreement or approved in writing by the sponsoring agency (OMB Circular A-21, 5/10/04 Rev, J.10.d). Extra compensation for research activities that are outside of these boundaries is specifically prohibited.