

LEARN MORE: Salary Support on Grants (SSOG)

NU-RES
February 2020



Northeastern University

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Investigators/
Research
Administrators**

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IRB, IACUC,
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Compliance
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(FCOI)**

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**Funding Agencies
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Institutional Certifications and Assurances

- Northeastern University, as a grantee, provides at the time of proposal submission and throughout the life-cycle of an award certification and assurances that it is in full compliance with all relevant laws, rules and regulations.
- How each grantee implements its research management responsibilities varies but all grantees should include documented practices that address specific regulatory requirements.
- Some regulations required that the grantee monitor the research activity; monitoring involves verification and tracking of compliance with a specific term or condition of the award.

Learning Objectives

- Understand your and NU-RES' role in verifying that investigators and Northeastern have complied with the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (more commonly known as UG or Uniform Guidance)
- Understand UG's requirements for establishing a written IBS policy and documentation of IBS
- Learn about Northeastern's Institutional Base Salary and Extra Service Pay Policy, including annual compensation vs. total annual earnings.
- Learn how to calculate an individual's IBS and the additional steps necessary to calculate IBS when faculty hold multiple appointments (e.g., faculty + administrative appointments)

Learning Objectives

- Identify the 3 variables needed to calculate IBS; and the 3 variables needed to convert proposed level of commitment into person months (PM).
- Learn how to calculate salary requests on proposal budgets and the importance of documenting corresponding proposed levels of commitment during the Academic Year (AY) and Outside the Academic Year (OAY)/Summer/Off-Contract
- Understand how salary requests on proposals may affect other regulatory issues (e.g., committed cost sharing, salary caps and salary certifications on awards) and how committed effort is captured throughout the life-cycle of the award.
- **SOPs and Best Practices:**
 - **Budgeting**
 - **Tracking Changes in Levels of Effort During The Award**
 - **Requesting Extra Service Pay**
 - **Requesting Summer Salary (aka extra compensation)**
 - **PDCs For Faculty w/Academic + Supplemental Administrative Appointments**

SSOG as easy as 1, 2, 3 ...

- **STEP #1**
 - Establish the individual's IBS
 - Calculate the Corresponding IBS Per Month Rate
- **STEP #2**
 - Establish the Proposed Level of Commitment (Effort)
 - Convert % Proposed Level of Effort into Person Months
 - Academic Year Period and, if any,
 - Outside-Academic Year (OAY)/Summer Period
- **STEP #3**
 - Multiple the PMs x IBS Per Month Rate = SSOG
- **STEP #**
 - Identify any issues that may complicate Steps 1-3

KEY CONCEPTS

- **INSTITUTIONAL BASE SALARY**
 - Types of Appointments
 - Full Time Equivalent (FTE) Status
 - Base Term of the Appointment (8, 9, 12)
 - Compensation for the Appointment
- **TOTAL PROFESSIONAL EFFORT**
- **MEASURABLE EFFORT**
- **PROPOSED LEVELS OF COMMITMENT**
 - Percent of Total Professional Effort
 - Person Months

KEY CONCEPTS

- **SALARY SUPPORT ON GRANTS (SSGO)**
- **CALCULATIONS:**
 - **PM = FTE x Level of Commitment % x Budget Period (in months).**
 - **IBS PM RATE = COMPENSATION/BASE TERM +**
 - **SSOG = PM x IBS PM RATE**
- **BUDGETING SSOG:**
 - **ACADEMIC YEAR**
 - **OUTSIDE ACADEMIC YEAR (OAY/SUMMER)**

KEY CONCEPTS

- **UNDER RECOVERY OF SALARY ON GRANTS**
 - **COST SHARE (UNDER RECOVERY OF SALARY)**
 - **SALARY CAPS**
 - **PROPOSED LEVELS OF COMMITMENT VS. TIME & EFFORT CERTIFICATION**
- **CAPTURING NU'S CONTRIBUTION TO RESEARCH & SPONSORED ACTIVITIES**
- **COMMITTED EFFORT: TRACKING THROUGHOUT THE AWARD**

FEDERAL REGULATIONS

INSTITUTIONAL BASE SALARY

- 2 CFR § 200.430 - Compensation - personal services
- No expectation of Cost Sharing, 2 CFR 200.36
- HHS Salary Cap does not constitute Cost Share
- Documentation

NORTHEASTERN'S IBS POLICY

IBS = the total annual compensation paid by Northeastern for the employee's appointment (s), whether that individual's time is spent on research, teaching, service, administration or other institutional responsibilities.

IBS CALCULATION

Faculty Appointment, Full-Time, 8 months, \$80K

Annual Compensation = \$80K; IBS Per Month Rate = \$10K

Faculty Appointment, Full-Time, 8 months, \$80K

Administrative Supplement, Full-Time, 12 months, \$12K

IBS = $80K/8 = \$10K +$

$12K/12 = 1K$

Annual Compensation = \$92K, IBS Per Month Rate = \$11K

NORTHEASTERN'S IBS POLICY

Extra Service Pay = overload, intra-institutional consulting. Agency prior approval required.

INSTITUTIONAL BASE SALARY – DOCUMENTATION

LETTERS OF APPOINTMENT

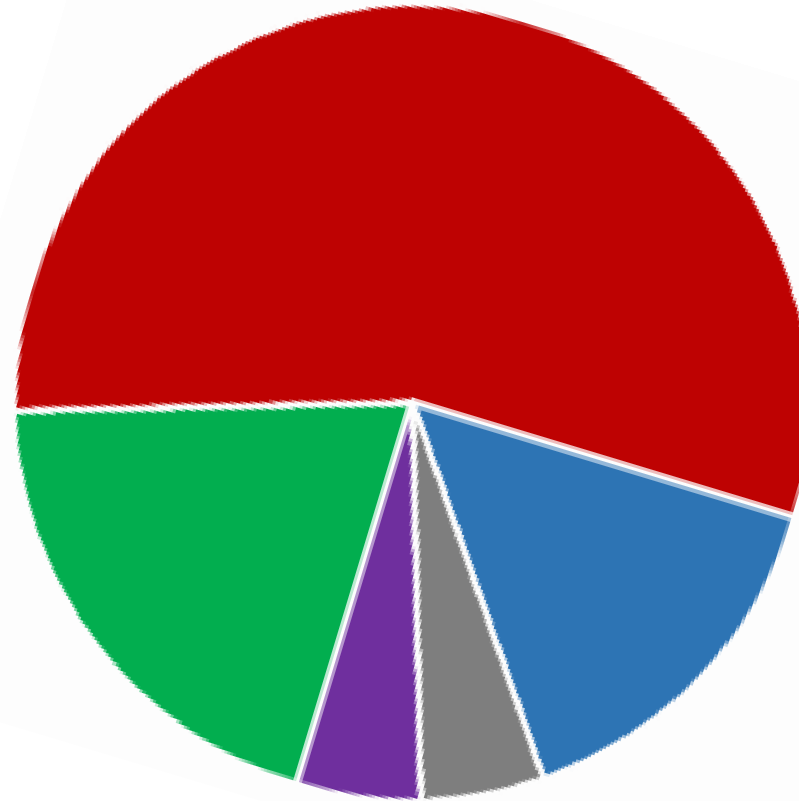
or

CERTIFICATION BASED ON ACTUAL KNOWLEDGE OF THE:

- For each Appointment
 1. Term of the Appointment
 2. Compensation for the Appointment
 3. FTE Status

TOTAL PROFESSIONAL EFFORT

- Teaching
- Research:
Extramurally-
Funded &
Departmental



- Administration
(Ordinary (e.g., faculty);
Supplemental (e.g.,
ADR))

- Service: University or Public
- Other Institutional Activities

MEASURABLE EFFORT

Memoranda 01-06 --
Clarification of OMB A-21
Treatment of Voluntary
Uncommitted Cost Sharing
and Tuition Remission Costs

January 5, 2001

M-01-06

MEASURABLE EFFORT

In addition, *most Federally-funded research programs should have some level of committed faculty (or senior researchers) effort, paid or unpaid by the Federal Government. This effort can be provided at any time within the fiscal year (summer months, academic year, or both).* Such committed faculty effort shall not be excluded from the organized research base by declaring it to be voluntary uncommitted cost sharing. **If a research program research sponsored agreement shows no faculty (or senior researchers) effort, paid or unpaid by the Federal Government, an estimated amount must be computed by the university and included in the organized research base.** However, some types of research programs, such as programs for equipment and instrumentation, doctoral dissertations, and student augmentation, do not require committed faculty effort, paid or unpaid by the Federal Government, and consequently would not be subject to such an adjustment.

LEVEL OF COMMITMENT

% Effort/Person Months



Person Months

The metric for expressing the effort (amount of time) PD/PI(s), faculty and other senior/key personnel devote to a specific project. The effort is based on the type of appointment of the individual with the organization; e.g., calendar year, academic year, and/or summer term; and the organization's definition of such. For instance, some institutions define the academic year as a 9-month appointment while others define it as a 10-month appointment. See also [Frequently Asked Questions Regarding the Usage of Person Months](#).

<https://grants.nih.gov/grants/glossary.htm#P>

Note: Northeastern Maximum Allowable Effort on Extramurally Funded Awards 95% AY; or 80% OAY(Summer) including Administrative Supplements.

CALCULATING PROPOSED EFFORT

Converting % Effort into Person Months

1. Employment Status: Full-Time (1.0) or Part-Time (.X)
2. % Effort during the Budget Period
3. Budget Period
AY = 8 or 9
OAY = 4 or 3
CY = 12

Examples:

1.0 FTE X 50% X 4 (Summer) = 2 person months

0.5 FTE X 25% X 8 (AY) = 1 person month

BUDGETING PMs AY/OAY(SUMMER)

RESEARCH & RELATED BUDGET - Budget Period 1

Delete Period

OMB Number: 4040-0001
Expiration Date: 10/31/2019

ORGANIZATIONAL DUNS: Enter name of Organization:

Budget Type: Project Subaward/Consortium Budget Period: 1 Start Date: End Date:

A. Senior/Key Person

Prefix	First	Middle	Last	Suffix	Base Salary (\$)	Months			Requested Salary (\$)	Fringe Benefits (\$)	Funds Requested (\$)
						Cal.	Acad.	Sum.			
<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Project Role:

Add Additional Key Person

Additional Senior Key Persons: Add Attachment Delete Attachment View Attachment

Total Funds requested for all Senior Key Persons in the attached file

Total Senior/Key Person

B. Other Personnel

Number of Personnel	Project Role	Months			Requested Salary (\$)	Fringe Benefits (\$)	Funds Requested (\$)
		Cal.	Acad.	Sum.			
<input type="text"/>	Post Doctoral Associates	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	Graduate Students	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	Undergraduate Students	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	Secretarial/Clerical	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>
<input checked="" type="checkbox"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

Add Additional Other Personnel

Total Number Other Personnel

Total Other Personnel

Total Salary, Wages and Fringe Benefits (A+B)

SALARY CAP & LIMITATIONS

HHS: Executive Level II \$197,300

NSF: History, UG & Updated Rebudgeting Authority

As a general policy, NSF limits the salary compensation requested in the proposal budget for senior personnel to no more than two months of their regular salary in any one year. This limit includes salary compensation received **from all NSF-funded grants**. This effort must be documented in accordance with 2 CFR § 200, Subpart E, including 2 CFR § 200.430(i). If anticipated, any compensation for such personnel in excess of two months must be disclosed in the proposal budget, justified in the budget justification, and must be specifically approved by NSF in the award notice budget.¹⁷ Under normal rebudgeting authority, as described in Chapters VII and X, a recipient can internally approve an increase or decrease in person months devoted to the project after an award is made, even if doing so results in salary support for senior personnel exceeding the two month salary policy. No prior approval from NSF is necessary as long as that change would not cause the objectives or scope of the project to change. NSF prior approval is necessary if the objectives or scope of the project change.

RESOLUTION OF NSF'S CONFLICTING GUIDANCE

I OIG said that “Payroll transactions incurred after NSF revised its policies and procedures (December 26, 2014) will be audited against those procedures, which now permit awardees to unilaterally increase salary budgets for senior personnel in excess of two months of their regular salaries. The revisions were prospective and do not apply to payroll transactions made before December 26, 2014.”

EFFORT ON GRANTS

- **Proposal Review: Is there sufficient effort to complete the aims?**
- **Overlap/Over Commitment?**
- **Changes in Level of Commitment/Status**
- **OMB Functions: Research, Instruction, Other Sponsored Activities**
- **Concurrent Effort**

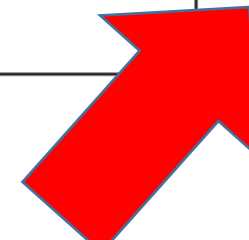
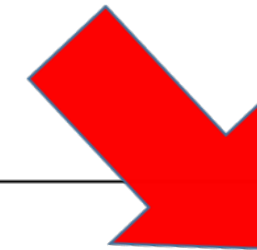
LEVEL OF COMMITMENT & MEASURABLE EFFORT

Investigators are expected to propose levels of commitment that correspond to the level of effort they will spend on this project.

At a minimum, measurable effort should be listed on research projects. This effort is reported in person months and listed on, e.g., NIH's Other Research Support reports.

Format

<u>NAME OF INDIVIDUAL</u> <u>ACTIVE/PENDING</u>		
Project Number (Principal Investigator) Source Title of Project (<i>or Subproject</i>)	Dates of Approved/Proposed Project Annual Direct Costs	Person Months (Cal/Academic/ Summer)
The major goals of this project are...		
<i>OVERLAP (summarized for each individual)</i>		



- **UNDER RECOVERY OF SALARY ON GRANTS**
 - **COST SHARE (UNDER RECOVERY OF SALARY)**
 - **SALARY CAPS/LIMITATIONS**
 - **PROPOSED LEVELS OF COMMITMENT; TIME & EFFORT;
SALARY CERTIFICATIONS**
- **CAPTURING NU'S CONTRIBUTION TO RESEARCH &
SPONSORED ACTIVITIES**

FEDERAL REGULATIONS

- No expectation of Cost Sharing 2 CFR 200.36

...for administrative expenses.

§ 200.306 Cost sharing or matching.

(a) Under Federal research proposals, voluntary committed cost sharing is not expected. It cannot be used as a factor during the merit review of applications or proposals, but may be considered if it is both in accordance with Federal awarding agency regulations and specified in a notice of funding opportunity. Criteria for considering voluntary committed cost sharing and any other program policy factors that may be used to determine who may receive a Federal award must be explicitly described in the notice of funding opportunity. Furthermore, only mandatory cost sharing or cost sharing specifically committed in the project budget must be included in the organized research base for computing the indirect (F&A) cost rate or reflected in any allocation of indirect costs. See also §§200.414 Indirect (F&A) costs,

TYPES OF DIRECT COST SHARING

Mandatory/ Stipulated	Costs related to the project that must be paid by Northeastern as a condition of submitting the proposal.
Voluntary Committed	Costs related to the project that Northeastern voluntarily agrees to paid for as documented in the budget and/or budget justification. <i>Audited</i>
Voluntary Uncommitted	Costs incurred by Northeastern over and above what was committed and budgeted for in the proposal. Not audited.



NORTHEASTERN'S F&A RATE AGREEMENT

Indirect Costs of Research

Direct Costs of Research *

= Negotiated Rate %

*includes Cost Share and Attributed Effort

TIME & EFFORT CERTIFICATION

PAYROLL DISTRIBUTION & SALARY CERTIFICATION

Tracking and reporting payroll related expenditures to make sure that the final amount charged is accurate, allowable, and allocable.

**Certification of salary charged to the award is a Reasonable in relations...
percentage of total professional effort.**

SOPs & BEST PRACTICES

- **BUDGETING**
- **TRACKING CHANGES IN LEVELS OF EFFORT DURING THE AWARD**
- **REQUESTING EXTRA SERVICE PAY**
- **REQUESTING SUMMER SALARY (AKA EXTRA COMPENSATION)**
- **PDCs FOR FACULTY W/ACADEMIC + SUPPLEMENTAL ADMINISTRATIVE APPOINTMENTS**
- **SALARY CAPS AND COST SHARING**

CREDITS AND OFFSETS

Compensation (Guaranteed by NU)	Appointment Term	IBS rate	% of IBS Rate
\$240,000.00	8	\$30,000.00	75.000000000%
\$0.00	8	\$0.00	0.000000000%
\$120,000.00	12	\$10,000.00	25.000000000%
Monthly Rate		\$40,000.00	
\$360,000.00			100.000000000%

For more information please see

<https://research.northeastern.edu/nu-res/>

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Resources

Northeastern's Institutional Base Salary Policy & Guidance:

<https://research.northeastern.edu/nu-res/institute-base-salary-policy/>

Uniform Guidance

<https://www.grants.gov/learn-grants/grant-policies/omb-uniform-guidance-2014.html>