



Faculty Grants Budget Guide

Office of Sponsored Programs

Last Updated: September 8, 2020

This Guide will include the following components: Budgets, Personnel, Institutional Base Salary, Summer Salary Policy, Course Release and Buy-Out Procedures, Student Researcher Compensation Policy, Other Research Personnel, Participant Costs, Tuition Remission, Other than Personnel Services (OTPS), Equipment

Overview

Budgets are highly detailed and must comply with federal level, agency level, and institutional level policies. To ensure that PIs have strong advice and assistance in crafting their budget, OSP asks for a formalized budget at least 10 days prior to submission.

All research projects carried out through YU have an institutional impact. Grants are awarded to the University and not to an individual because agencies acknowledge that a research grant requires the support of many areas of the University. Indirect cost recovery details are to be included at YU's federally established rate, unless the sponsor does not allow indirect costs or requires a reduced rate. YU's current rate is set at 50%. The federal government, rather than YU, reviews and establishes this rate on an annual basis.

All costs charged to grants must be reasonable, allocable, consistent, and allowable. The Office of Management and Budget (OMB) has established "2 CFR 200 Uniform Administrative Requirements, Cost principles and Audit Requirements for Federal Awards," which guide all grant budgets and expenditures.

Personnel

When calculating salaries to be included in a proposal budget, Principal Investigators (PI) should use the current academic year institutional base salary (IBS) as the starting point and estimate a 2% increase each year. Annual salary increases at YU depend on the institution's annual financial position and are not guaranteed, but YU aims to provide increases when this is possible. Note that this is an estimate only, as a faculty member's actual salary is determined during the annual salary process and may differ from the budgeted amount. If the award is made and the actual salary exceeds the budgeted amount, the PI/PD may be allowed to cover the overage by moving grant funds from another budget line to the salary line. If the actual salary is less than the budgeted amount, the actual salary will be the basis for reimbursement or disbursed to a different budget category, if permitted by the agency.

Note: Annual increases should not be budgeted into NIH proposals, as per the agency's guidelines. NSF has a cap of 2 months allowable per year.

Fringe benefits consist of the institution's contributions to an employee's social security account, a retirement plan, health and dental insurance, unemployment compensation, worker's compensation, life insurance and disability insurance. The benefit rate is applied to all eligible positions, including students, regardless of whether the employee opts for coverage. YU's current federally established rate is 26.5%.

Institutional Base Salary (IBS)

Institutional Base Salary (IBS) is the annual compensation paid to a faculty member for a 9 month period (or other, if established higher/lower by Dean and School) during an academic year appointment, whether that individual's time is spent on teaching, advising, scholarship, or service. The IBS does not include bonuses or one-time payments. At no point may charges to federal awards exceed the proportionate share of the IBS for that period (2 CFR 200.430).

Summer Salary Policy

Grant budgets may provide up to three months of extra work during the summer. Each month of summer salary is calculated at a rate of one-ninth of the current academic year's salary (for a maximum of 3/9 per summer).

Course Release and Buy-Out Procedure

Most faculty receive under 3 months of salary per year from grants. In exceptional situations, where faculty have research that has the capacity to bring in more than 3 months salary per year, a course buyout will be considered. The request must first be made to the faculty member's Department Chair and Dean and approvals should also be communicated to OSP and the Office of the Provost. The approval is made on condition that the release is properly budgeted for and will only be granted if an award is made. Standard practice for calculating course release is through effort buyout based on a percentage of the faculty member's salary. In effect, the grant "buys" the faculty member's released time by paying for that portion of his/her salary. This is then used by the school to hire adjuncts and/or ensure the course is covered. The maximum number of courses a faculty member may request release from teaching for the purpose of conducting sponsored scholarly work is determined on a school level by the School's Dean.

Student Researcher Compensation Policy: YU is committed to compensating all our research students equitably while keeping in mind that the nature and requirements of conducting such projects often varies across disciplines. In some cases, students are assisting faculty with their research and, in other cases, students may be conducting their own research while being mentored by a faculty member. Working as a Student Researcher during the academic year may be different from working as one during the summer when there is more time to accomplish certain tasks. Finally, students differ in their experience and, thus, also in their skill sets.

Student researchers will be paid an hourly rate or a monthly rate on a semester basis, corresponding to a set number of hours per week. The pay reflects the students' skill sets, experience, and nature of the tasks the student may be required to perform. The specific rate of pay will be determined by the faculty member with whom the student is working in consultation

with his/her department. The exception to this would be if the external funding source requires student researchers to get paid at a specified rate. At a minimum, student researchers must be paid at NYS's established minimum wage, currently set at \$15/hr. However, it is common for faculty to pay their graduate students at least \$20/hr.

Other Research Personnel (ex: Post Doc) Compensation: Post Docs and other non-student personnel must be hired in accordance to YU HR policies for full-time employees, as well as in accordance of NYS and NYC policies. As of January 1, 2020, the minimum annual salary for full-time exempt employees for all New York City employers is \$58,500.

Equipment

Equipment must be purchased in accordance with Federal regulations. Computer purchases up to \$5,000 are considered supplies and do not require the bid process.

Note: Indirect costs are not applied to equipment costs over \$5,000.

Participant Costs

Participant Costs are costs associated with person's related to the project but not doing work on the project. For example, if travel expenses are associated with getting participants to/from a lab, this would fall under participant costs. If student fellowships are built into the program, these costs would go here. Note: Student stipends as participants are very different than student researcher costs. In order to qualify as a stipend under participant costs, the student must not be performing "work" for the PI. There are different tax implications for each appointment, and if there are any questions about how a student should be categorized, please discuss the matter with both the Director of Sponsored Programs and the Director of Tax at the time of proposal development.

Note: Indirect costs are not applied to participant costs.

Tuition Remission

YU does not have an established tuition remission rate. Instead, tuition remission or reduction requests are typically handled between a faculty member the School's Dean. Per federal guidelines, undergraduate students are not eligible for tuition remission on grants, but PhD students who are in "training" are. If necessary, tuition remission can be budgeted in the grant if the PI anticipates having a PhD student and has received confirmation from their Dean.

Other than Personnel Services (OTPS)

OTPS costs include all other expenses necessary for the project. This may include travel (domestic and foreign), Materials & Supplies, Computers under \$5,000, Software, Publishing Costs, etc. All expenses must be allowable and justifiable for the purposes of carrying out the project.

Most agencies require PIs to provide a precise explanation of travel funds, including an explanation of what conferences or meetings PIa may be attending and where. If foreign travel is included, agencies often request identifying possible countries for travel, as foreign interest is something agencies now inspect in closer detail.

Not allowable for OTPS costs are alcohol, food outside travel (ex: food for lab participants or meetings), and entertainment.

Sub-awards

Typical sub-award situations include arrangements in which two (or more) qualifying legal entities/institutions are working collaboratively on a grant project. Sub-award agreements are made in the form of a legally binding agreement, generated by the prime awardee, which is also referred to as the lead organization. If a PI intends to include a sub-award in his/her grant proposal, prior to submission, the PI must:

- Obtain a letter of intent to collaborate from an authorized representative of the sub-recipient institution (ex: an AOR), indicating a commitment to perform the scope of work proposed, assuring the accuracy and reasonableness of the budget, and agreeing to enter into a formal sub-award if the proposal is funded.
- Provide a written description of the scope of work to be completed by the sub-awardee, if the project is funded.
- Obtain a detailed budget and budget narrative of the sub-awardee's project that meets the requirements of the funder and YU and a copy of the sub-awardee's federally negotiated indirect cost rate.
- Obtain a copy of the most recent fiscal year's completed Single Audit in accordance with Subpart F of the Uniform Guidance (if applicable), with an explanation for any findings. Depending on the mechanism by which the PI is applying, the proposal would have to be submitted as one (as a subaward) or individually (as a Collaborative Research Proposal) but they are interdependent and you must work closely with the other institution so please leave extra lead-time for collaborative proposals.

Note: NSF allows for multi-PI applications, thus eliminating the need for a subcontract. This method is advisable, if possible, as it reduces administrative burden and ensures all parties get their funds in a timely manner directly from NSF

Matching/Cost-Sharing

For federal awards, voluntary committed cost sharing 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 the notice of funding opportunity. If your proposal requires matching funds, please discuss that first with your Dean or department head.