

Clearing Budget Hurdles: salary caps, fellowships, sponsor forms and more!

Dawn Jory, Contract & Grant Specialist

dawnj@udel.edu, x. 2629

Katie Brown, Contract & Grant Specialist

brownkt@udel.edu x. 6925

June 10, 2014

Expected Learning Outcomes

- Working through budget hurdles
- Manipulating UD's 5yr Budget workbook
- Utilizing the Effort worksheet
- Understanding the Salary Cap worksheet
- Entering budget detail in PeopleSoft
- Entering data into sponsor budgets in Cayuse and Fastlane

Budget Considerations

Think about the following items when building your budget:

- Thoroughly review the solicitation, sponsor guidelines, and requirements
- Know the maximum budget amount and period of performance identified by sponsor
- Understand F&A rates
- Consider personnel effort required
- Is the budget cost effective with regard to post-award management?

Common Budget Hurdles

- Cost Share
- Calculating Salary Caps
- Calculating Effort
- Fellowships
- Participant Support vs. Participant Compensation

Cost Share

There are two ways to calculate cost share. Read the solicitation carefully!

1. Cost Share as **20% of total award:**

Total costs \$1,000 paid by sponsor

$$\$1,000 / .8 = \$1,250$$

$$\$1,250 \times .2 = \$250 \text{ UD commitment}$$

Total project costs \$1,250

2. Cost Share **requirement of 20%:**

Total costs \$1,000 paid by sponsor

$$\$1,000 \times .2 = \$200 \text{ UD commitment}$$

Total project costs \$1,200

What is a salary cap?

- It is NOT a limitation on how much a PI can be paid by the university
- It is a limitation placed on the full time 12-month salary rate that can be directly charged to contracts, grants and cooperative agreements
- A university can pay an individual more than the salary cap
- It is federally mandated by an appropriation
- It is applicable to subawards
- It is NOT applicable to consultants
- Fringe Benefits and Indirect Costs are not included in the salary cap calculation



Agencies & Salary Caps

Agency	Executive Level	Salary Cap
All Agencies Under Department of Health and Human Services (except FDA and IHS): NIH, AHRQ, SAMHSA, CDC, HRSA, ACF, ACL, CMS	Executive Level II	\$181,500 (FY14)
NIFA (a USDA Agency)	Executive Level IV	\$157,100 (FY14)
DoD, NASA and Coast Guard	Benchmark Compensation Amount	\$952,308

NIH Salary Cap Summary (1990- 2014)

- http://grants.nih.gov/grants/policy/salcap_summary.htm

The screenshot shows the NIH Office of Extramural Research website. The main navigation bar includes links for HOME, ABOUT GRANTS, FUNDING, FORMS & DEADLINES, GRANTS POLICY (highlighted), eRA, NEWS & EVENTS, and ABOUT OER. The page title is "Grants & Funding". A left sidebar lists various policy areas, with "Policy & Guidance" selected. The main content area displays the "Salary Cap Summary (FY 1990 - FY 2014)", updated on January 24, 2014. It provides a table of salary caps for awards issued from FY 2011 to FY 2014.

Fiscal Year	Period	Executive Level	Salary Cap
FY 2014 Awards Issued	October 1, 2013 through January 11, 2014	Executive Level II	\$179,700
	January 12, 2014 through September 30, 2014	Executive Level II	\$181,500
FY 2013 Awards Issued	October 1, 2012 through September 30, 2013	Executive Level II	\$179,700
FY 2012 Awards Issued	October 1, 2011 through December 22, 2011	Executive Level I	\$199,700
	December 23, 2011 through September 30, 2012	Executive Level II	\$179,700
FY 2011 Awards (Executive Level I)	October 1, 2010 through September 30, 2011	Executive Level I	\$199,700

Calculating PI Salary Over the Cap

Appointment Type: 9 months

Full Time Annual Rate: \$175,000

Effort: 1.75 person months (PM)

PI salary calculation:

$\$175,000/9 = \$19,444$ ← this is your **PI's monthly rate**

$\$19,444 * 1.75 \text{ PM} = \$34,027$ ← this is **1.75 PM salary**

NIH salary cap calculation:

$\$181,500/12 = \$15,125$ ← this is the **monthly rate at the NIH cap**

$\$15,125 * 1.75 \text{ PM} = \$26,468$ ← this is **1.75 PM salary at the NIH cap**

Calculating PI Cost Share Salary Over the Cap

Appointment Type: 9 months

Full Time Annual Rate: \$175,000

Effort: 1.75 person months (PM)

$\$19,444 * 1.75 \text{ PM} = \$34,027 \leftarrow \text{PI's 1.75 PM actual salary}$

$\$15,125 * 1.75 \text{ PM} = \$26,468 \leftarrow \text{1.75 PM Capped salary}$

Cost Share Calculation:

$\$34,027 - \$26,468 = \$7,559 \leftarrow \text{This is your cost share amount!}$

Who pays for salary “over the cap”?

- Funds can be used to cover the “over the cap” amount from the following sources:
 - Non-sponsored, unrestricted supplemental funds
 - Department research workload (Department or College purpose code)

Over the Cap Effort

Remember:

- The effort valued above any salary cap still needs to be tracked as cost share so that a PI's full effort is captured on effort reports.
- The mechanism for recording this is the same as it is for recording cost-share.
- Over the cap pay is not considered "allowable" cost-share because it is an unallowable cost to the award.
- Effort put in a proposal is committed effort to the sponsor
- The cap is proportional to effort- **A PI over the cap is always over the cap unless the Government increases the cap.**

Fellowships

- Requirements vary from sponsor to sponsor
- Read the solicitation carefully so you know who pays for what costs
- The solicitation usually specifies no F&A, stipend, tuition, and other direct cost amounts.

Examples:

1. NIH fellowships- stipends are based on years of experience for post-docs, tuition is up to \$16k or 60% per year with set 'other costs'
2. EPA fellowships- stipend is paid directly to the fellow and tuition, books, and other costs are paid to the institution to manage.

Participant Support

- Payments from a grant to an individual or vendor on behalf of an individual
- Non-salary expenses
- Does not bear F&A
- Not an employee of UD
- No deliverable is required and does not provide services to UD

Examples:

- Payments to a participant or workshop attendee

Link to participant support guidelines:

<http://www.udel.edu/research/pdf/PartSupCosts.pdf>



Participant Compensation

- Payment from a grant to an individual in return for completing a task for you
- Non-salary expenses
- Bears F&A
- Can be a UD employee
- A direct cost necessary for the **research**

Examples:

- Running on a treadmill
- Completing a survey
- Sitting on an advisory committee
- Participating observation/intervention studies



Link to Participant Compensation Guidelines (See page 5):

<http://www.udel.edu/research/pdf/PartSupCosts.pdf>

Which is it: Participant Support or Compensation?

The PI will host a 2014 Summer Institute for 8th grade math teachers in Newark. During the three-week Summer Institute, local 8th grade math teachers will be on campus to learn a new way to teach algebra. At the beginning of the school year (September 2014), teachers will implement what they learned from the Institute in their classrooms and practice the new techniques with students.

In October 2014, teachers will come back to UD and present a video of themselves teaching new algebra techniques in the classroom and provide an analyses of their students' understanding of algebra.

Payment:

At the end of each week during the 2014 Summer Institute, teachers will be compensated. How will they be paid- Participant Support of Compensation?

After the teachers' presentation in October they will also be compensated. How will they be paid- Participant Support of Compensation?

Budget Toolbox

- UD 5yr budget template
- Cost share budget template
- Person month calculator
- Participant support policy
- UD Proposal Guide for Department Administrators
- Salary cap workbook
- Effort workbook

Now Let's Build a NIH Budget

- Dr. Dots wants to submit a proposal and stops by to give you the details:
 - Grad stipend \$25,000 with some supplies \$3,000
 - Tuition \$18,156
 - Participant compensation 100 @ \$25 each
 - Participant support \$5,000
 - Honoraria \$500
 - PI 12.5% summer effort Dr. Dots has a 9 month, \$150,000 contract
 - Co-PI 1 month summer and .25 month academic year effort. She has a 9 month, \$117,000 contract
 - Equipment \$50,000 - 50% cost shared
 - Subaward to TJU \$33,500
 - Travel \$2,000
 - Publications \$500

Transfer from Excel Workbook to PeopleSoft

Budgeting in PeopleSoft (PS) @ Proposal

Two Salary Lines total 1.5 months effort (\$25,000):

\$22,687 PERSON – Sponsor paid summer salary

\$2,313 SRPERS – Salary over the cap (not listed on NIH application) listed as cost share in PS*

*This is considered mandatory cost share. You must click the checkbox and enter the cost share detail (link) to capture the cost share dollars and route the webform according to your department's policy.

Budgeting in PeopleSoft (PS) @ Proposal

Two Salary Lines total proposed 1 month effort (\$16,250):

\$13,000 PERSON – Sponsor paid summer salary

\$3,250 SRPERS – Sponsor paid academic salary

Data Transfer from Excel Workbook to Sponsor Budget Template

Sponsor Budget Forms

- SF-424 R&R Budget Form:
 - Most commonly used sponsor budget template
 - http://apply07.grants.gov/apply/forms/sample/RR_FedNonFedBudget-V1.1.pdf
- Fastlane:
 - <http://www.nsf.gov/pubs/2000/00form1030/00form1030.pdf>
- NIH Modular Budget Form:
 - http://grants.nih.gov/grants/funding/424/SF424R-R_PHS398_ModularBudget_Sample.pdf
- SF-424A Non-Construction Budget Form:
 - <http://apply07.grants.gov/apply/forms/sample/SF424A-V1.0.pdf>

Resources

- **RO 5yr budget template:**
 - http://www.udel.edu/research/xls/Budget_Blank_5yr.xls
- **NIH FY 2014 Grants Policy: Salary Cap**
 - <http://grants.nih.gov/grants/guide/notice-files/NOT-OD-14-055.html>
- **RO for researchers/notices announcements:**
 - <http://www.udel.edu/research/preparing/notices.html>
- **RO training site with link**
 - <http://www.udel.edu/research/training/>
- **RO Equipment Cost Share Policy**
 - <http://www.udel.edu/research/preparing/equipcostshare.html>