

Guidelines for Faculty Salary Calculations

ARKANSAS STATE UNIVERSITY

GUIDELINES FOR CALCULATION OF FACULTY SALARIES IN EXTERNALLY SPONSORED PROGRAM ACTIVITIES

1.0 INTRODUCTION

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

Institutional Base Salary. The faculty member's institutional base salary is the amount that appears on the letter of contract each year. Contracts for 9-month faculty members are renewed at the start of the academic year (August 16), and summer base salary calculations are based on the academic year salary that was just completed.

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. Buyout amounts are based on the faculty member's institutional base salary, where the funds associated with course release are paid by an external source to the faculty member's department to accommodate an adjunct or instructor replacement for the reassigned course(s).

Effort Certification. Required by the government for federally funded projects under Uniform Guidance 2 CFR 200.430 Subpart 8 (i), 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. The typical load for a tenured or tenure-track faculty member is to teach four classes (12 student credit hours) each semester during the academic year, which includes some commitment to research and service, though this may vary by academic unit depending upon accreditation and other factors. Consistent with the Faculty Handbook Section II.B., faculty members with very active research programs may be reassigned to lower teaching loads or permitted to buyout their teaching time.

Reassignment. Reassignment of teaching load is generally granted to support research and creative activities. Unlike buyout, funds are not provided by an external source to the faculty member's department to accommodate the course release (Faculty Handbook Section II.B). This approach is generally taken when there are cost share requirements on sponsored funds.

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 2 CFR 200 Uniform Guidance

Arkansas State University Faculty Handbook 2018 as Amended 12/2023

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, sometimes, external agencies fund faculty salaries and benefits in exchange for their work on sponsored program 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-five percent effort is usually equal 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 = \$70,000

Monthly salary = \$70,000/9

One month of buyout = \$7,778

One three-credit course = 1.125 months
(\$8,750)

Ex. 2 for a twelve-month faculty member:

Twelve-month base salary = \$90,000

Monthly salary = \$90,000/12

One month of buyout = \$7,500

6.3 Summer Salary for Nine-Month Faculty

Nine-month faculty are eligible for summer compensation (the off-contract period between May 16 and August 15) from externally funded sources, provided that the grant/contract allows such expenditures.

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

Nine-month base salary = \$70,000

Monthly salary = \$70,000/9 (\$7,778)

One and one-half months of summer salary = \$7,778 * 1.5 (\$11,667)

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 (2 CFR 200.430 Subpart 3)

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. The maximum extra compensation that a faculty member can receive during a contract period is limited to 20 percent of the individual's contracted salary. The maximum extra compensation that a faculty member can receive during the summer is limited to 20 percent of the individual's salary for a full-time summer teaching load. For more information concerning these limits, contact Research and Technology Transfer.

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 as outlined by 2 CFR 200.430 Subpart 3: Intra-Institution of Higher Education Consulting:

- In unusual cases where consultation/work is across departmental lines or involves separate or remote operations, and the work performed by the faculty member is in addition to regular responsibilities. Any charges for such work representing additional compensation above institutional base salary are allowable provided such consulting arrangements are specifically provided for in the Federal award or approved in writing by the Federal awarding agency.

Extra compensation for research activities that are outside of these boundaries is prohibited.

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