



## **Faculty Grants Budget Guide**

Work on your budget in advance of the deadline. We ask for a finalized budget at least 10 days prior to submission. Always include indirect costs, unless the sponsor doesn't allow them. All research projects carried out through MSMU have an institutional impact. Grants come to the University and not an individual because agencies recognize that a research grant requires the support of many areas of the College outside of the direct research (with the exception of some fellowships).

Indirect costs represent the expenses of doing business that are not readily identified with a particular grant, contract, project function or activity, but are necessary for the general operation of the organization and the conduct of activities it performs. MSMU has negotiated the indirect cost rate with the federal government according to federal regulations. Our current indirect rate is 48% for on-campus projects and 20% for off-campus projects. The indirect rate is calculated as a percentage of salaries and wages (including fringe benefits) budgeted for the project. The College's rate should be applied consistently to federal and non-federal sponsored projects unless the funder prohibits indirect cost recovery or specifies a lower rate.

All costs charged to grants must be reasonable, allocable, consistent, and allowable.

### **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. 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.

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 benefit-eligible positions, regardless of whether the employee opts for coverage. Additionally, all proposals that include compensation for benefit-eligible positions must budget full support for benefits at the current fringe benefit rate.

### **Institutional Base Salary (IBS)**

Institutional Base Salary (IBS) is the annual compensation paid for a faculty member's 9 month 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). Thus, faculty may not receive academic year salary (extra service pay) unless they are on leave.

### **Summer Salary Policy**

Grant budgets may provide for up to two 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 2/9 per summer).

### **Course Release and Buy-Out Procedure**

Faculty members may request a course release in order to concentrate their efforts on grant-supported scholarship, in accordance with sponsor guidelines. The request must be made to the Department Chair and should also be communicated via the Internal Routing form. 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. The maximum number of courses a faculty member may request release from teaching for the purpose of conducting sponsored scholarly work is one per academic year.

### **Sabbatical Leave Policy**

The sabbatical leave policy provides for a leave of one semester at full salary or a leave for a full academic year at one-half salary. Faculty members scheduled for a full-year sabbatical at one-half salary during the period of a proposed grant budget may include leave salary in the budget. The faculty member should only request income during the leave up to the amount he/she would have been paid by the College.

### **Student Researcher Compensation Policy:**

MSMU is committed to paying 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, so do their skill sets as they progress through the four years. All of these factors are taken into consideration when devising the following pay scale.

### **Wages**

During the academic year, student researchers will be paid an hourly rate. 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.

Student researchers who are employed during the summer but who are not part of MSMU Summer Research Program, will be paid an hourly rate, regardless of whether the funding comes from an external funding source e.g., NSF, or an internal one e.g., a departmental operating budget. Exceptions may be made in rare circumstances by contacting Human Resources, who will consult with Finance and the Provost's Office as necessary. When the College is reviewing stipends vs. hourly wage, the nature of the research project must be considered. According to tax law, a student may be awarded a fixed-amount stipend only if the work is an independent

research project with no services rendered to the institution (i.e., the student is not assisting a faculty member on the faculty member's project, but is working on the student's own project). Additionally, it should be noted that federal funds may not be used for stipends unless a specific training purpose is noted in the external funding proposal.

### **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.

### **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 statement from an authorized representative of the sub-recipient institution, 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/budget narrative of the sub-awardee's project that meets the requirements of the funder and MSMU and a copy of the subawardee'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 you are 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.

### **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.