Faculty Salary Rates on Grants

1.0 Introduction

A. The cost principles for educational institutions are very specific about faculty salaries charged to federal grants.

The cost principles (OMB A-21 J.8.d) prescribe pay for faculty on grants during two periods:

(1) During the academic year

(2) Periods outside the academic year.

B. Section J.8.d (1) of OMB A-21, "Salary rates for academic year," states:

"Charges for work performed on sponsored agreements by faculty members during the academic year will be based on the individual faculty member’s regular compensation for the continuous periods which … constitutes the basis for his salary. Charges for work performed on sponsored agreements during all or any portion of such period are allowable at the base salary rate. In no event will charges to sponsored agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period."

Interpretation: Faculty members working on federal grants may charge a proportionate share of their base salary to the grant, but faculty may not increase their total compensation by working on a grant. The salary charged to the grant is based on their regular, annual compensation.

C. J.8.d (2) of OMB A-21, "Periods outside the academic year," states:

"Charges for work performed by faculty members on sponsored agreements during the summer months or other period not included in the base period will be determined for each faculty members at a rate not in excess of the base salary divided by the period to which the base salary relates…"
Interpretation: Faculty members may earn additional compensation for working on grants from mid May (after graduation) until 31 August (when the summer ends). The base salary is defined as the 9-month salary the faculty member is paid over 12 months. The maximum monthly salary permitted under a grant is one-ninth of the base salary. The maximum percentage of the base salary that can be earned during the summer period will be 30%.

2.0 Policy
The Citadel has adopted the cost principles from OMB A-21 to govern compensation to be paid from all federal, state, or local grants and contracts.

A. During the academic year, faculty may not earn additional compensation from a grant or contract covered by this policy.

B. Faculty may earn additional compensation during the summer based on their computed monthly earning rate and the per cent of effort they will be working on a grant each month during the summer. Summer earnings are limited to a maximum of 30% of the base salary.

C. The Citadel's effort certification system will document that the faculty member did not receive compensation from the grant in excess of the proportion of effort provided to the grant.

3.0 Procedure
A. This policy will be followed when the grant application and budget are prepared.

B. This policy does not prohibit "course buy-outs."

Course Buy-Outs

If a faculty member applies for a grant that will require effort during the academic year, the faculty member can apply to the VPAA through his department head and appropriate dean for a "course buy-out."

This is the process by which faculty members receive course load reduction(s). In such cases, the faculty member’s proportionate salary (commiserate with the effort) will be charged to the grant, thus "freeing up" salary in the regular departmental account. Normally, the funds made available in the departmental account would be used to hire an adjunct or pay the overload for a faculty
member to teach the course(s). This depends on the overall course demands within the department and the nature of the courses involved.

To obtain approval of a "course buy-out," the following steps would be taken during the grant application process:

1. Obtain approval from the appropriate dean;

2. Obtain approval for the use of an adjunct or overload salary from the VPAA and VP for Finance and Business Affairs so the issue will be resolved upon receipt of the grant.

The overload teaching policy of the College is presented in section VII.C.5. of The Citadel Faculty Manual 2012 (see Citadel Policy page for updates to manual)