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Sent: Tuesday, June 09, 2009 2:42 PM
To: 'provost-vpresearch-to-all-faculty@bulkmail.uchicago.edu'
Subject: Summer Salary Policy

To: All Faculty

From: Thomas Rosenbaum, Provost and Donald H. Levy, Vice President for Research & National Labs

Re: Summer Salary Policy

In the last few years the Federal Government has become increasingly stringent in enforcing the requirements regarding summer salary for faculty working on federal sponsored research. Several universities have been subject to very comprehensive audits. These audits have been very expensive to the universities involved because of fines, legal costs, and staff costs encountered in preparing for and conducting the audit. In addition to these financial costs, there have been severe non-monetary costs due to negative publicity and disruption and refocusing of energy of both staff and faculty.

There is every indication that this stringent enforcement of federal regulations is increasing. Whatever individual faculty members might think of the wisdom of the federal regulations, the government will assure that they are enforced. By accepting the federal research support that is the source of summer salary, the University is responsible for enforcing the regulations and will suffer should we fail to alter our internal policies regarding summer salary to stay in compliance with federal regulations.

During a month where 100% of a faculty member's salary is charged to a government grant, the federal regulations require that 100% of the faculty member's time be spent only on the research covered by that grant. Some specific activities which are not allowed are:

- a. Vacation
- b. Work on other research projects
- c. Teaching
- d. Administrative activities
- e. Business or conference travel except when exclusively related to grant related work.
- f. Proposal preparation

If a faculty member charges 100% salary for three months, none of these activities are allowed at any point in the summer.

In almost all cases, it is unrealistic to expect faculty to forgo these activities completely. Therefore, to comply with the federal regulations while providing flexibility for the usual range of activities, the following policies will be implemented:

1. Faculty may not charge more than 95% of their salary (95% of 1/9 of the academic year salary) to government sponsored research.

2. For 9-month appointments, summer salary is limited to 2.5 months.

Exceptions to these rules must be approved in writing by a dean and the Provost.

These restrictions are meant to cover the common situation where the faculty member will in fact spend 95% of their time for 2.5 months conducting the sponsored research funded by the government source of summer salary funds. When faculty will have to spend more time on non-allowed activities, they will have to reduce their summer salary commensurate with the actual time spent on the sponsored research.

The remaining time not charged to the government grant must be charged to other nonsponsored University funds. The NSF has changed their interpretation of their policy in a way that may offer a source of such funds. The NSF continues to restrict salary funding to two months per year, but they now allow faculty effort to be charged to the grant during the academic year. As long as the appropriate time is spent conducting sponsored research during the academic year, 5% (or more) of a month's salary can be charged to the NSF during the academic year providing a savings to the department which could then be used in a revenue neutral manner as a source of nonsponsored salary support during the summer.

This new policy is effective July 1, 2009. It is being implemented because of new federal standards over which we have no control. Based on the experience and practice of peer institutions, the policy is regarded as the minimum necessary to keep us in compliance with federal regulations. Questions related to sponsored award summer salary payment should be directed to Carol Zuiches, Associate Vice President and Director, University Research Administration, or Casey Murray, Associate Controller.