Before you sign a transmittal form for a grant or contract proposal through which a faculty or staff member is requesting salary funds, it is important to ask the questions that address the topics summarized here.

Has our University ORSP pre-award representative reviewed your budget with you?

This is critically important, as many problems with salary funding requests—as well as other aspects of budget—can be resolved before transmittal forms are ever completed by the applicant. All grant and contract budgets must be approved by the University Office of Research and Sponsored Programs (ORSP) before any official sign-off by the director of ORSP, so it is most efficient to have ORSP involved as early as possible. In many cases, an ORSP pre-award professional will develop the budget for the applicant. Keep in mind that even when the budget has been approved by ORSP, directors still have important questions to ask and agreements to document regarding buy-out details. Note: Both the CHSP School Director and the CHSP Associate Dean for Research and Graduate Studies (ADRGs) must sign the transmittal form before the proposal is submitted to the agency/corporation/foundation.

Does this to apply to summer salary (for those with less than 12-month appointments), an academic year (typically nine-month) salary, or both?

1. For those with less than a 12-month appointment, allowing summer salary is an important way to augment an individual’s salary and recognize a significant contribution of work during the summer. Also, for budgets allowing indirect costs, the indirect cost benefits associated with salary monies directly benefit the school and college.

   The school does not keep extramurally-funded summer salary in its accounts, as these summer salary funds are used to pay the funded individual. Up to three months of summer salary may be paid for a person on a 9-month contract.

2. If the salary in a funded grant or contract applies to the nine-month academic year (or whatever is the term of the employee’s salaried position), the extramural dollars offset salary costs; as such, it can be used for “buy-out” or “release” time. In this case, the salary money goes (indirectly) into the school’s budget. Because the extramural funds often exceed what is required to pay for a regular faculty instructor to teach the course, they provide the school with additional funds to support further research efforts. In CHSP, extramural salary monies used for “buy-out,” after the payment of needed replacement instructors, is normally kept in the school budget.
Is your salary buy-out specifically for teaching buy-out or for something else?

Given that all faculty members have designated time for teaching, research and creative activity, and service as components of their workload, it is possible to buy out not only teaching time but also service and research and creative activity time. Most faculty members prefer to buy out teaching time because this is the best way for them to afford more time to work on the proposed project. In CHSP, we tend to encourage them to buy out teaching time. If they wish to buy out service and/or research and creative activity time instead of or in addition to teaching, this is allowable.

Administrative contract employees may request salary buy-out for specific duties. Directors simply must agree with the applicant upon just what the difference in expectations for the administrative employee would be during the funding period.

If the faculty member is requesting approval to use extramural funds to buy-out teaching, what courses is he/she buying out of?

Directors and applicants should have a clear understanding and agreement about which course(s) is being bought out, in which quarter(s), and in which academic year(s). These details are usually not included in the body of a grant proposal. It is important that all have a solid understanding of this, and that the agreement about what is being bought out is described on the transmittal form. You may wish to have a separate agreement written up and kept on file. That way, if there is a change in directors or Dean’s office staff by the time the project is funded, or if anyone forgets what was agreed upon, the agreement will be upheld.

If the faculty member is requesting teaching buy-out, how did he/she calculate his/her salary buy-out figures?

In CHSP, it is our policy not to allow faculty or staff members to pay only the cost of hiring a part-time instructor to teach one or more individual courses to replace an instructor during released time. Rather, the proportion of that funded individual’s actual salary (and corresponding benefits) that would normally be allocated to time to be bought out is expected to be charged to the grant or contract. The only exception to this is when the funding agency has explicit guidelines stating that it will only fund the cost of hiring a replacement instructor to cover released time from teaching. This is extremely rare.

Did the faculty member add an annual increase in salary?

For multiple-year grants (including those that may be for one year’s duration but that span multiple academic years), it is important to project an annual increase in any salary components of budgets. The amount of expected increase depends upon the proposal guidelines, any expected raises due to promotion, and the actual anticipated annual raise. Recent typical raise projections have been 4% per year, but there is no institutional rule governing this. Our CHSP designated pre-award representative in the ORSP will offer assistance with projecting salaries over multiple years. Note:
Both the School Director and the Associate Dean signators should review the grant budget to assure that annual increases have been figured in to multiple-year budgets.

Did the faculty member represent the salary plus benefits in his/her budget according to University regulations?

There are ample details about this on the ORSP web site for those wishing to calculate benefits. The easiest and most efficient way to handle this—and to ensure that it is done according to regulations—is to ask for assistance from our University ORSP pre-award representative.

Does the faculty member’s request to use extramural funds to buy-out a portion of his/her salary correspond to the School Director and faculty member’s agreed-upon expectations about workload?

Salary buy-out is based on an employee’s salary. For buy-out the amount to be requested depends on the workload distribution for that employee. If the School Director has not spelled out the workload distribution for him or her, it will be important to do so to ensure the appropriate cost of buy-out. Below are some examples of how to calculate salary amounts for teaching buy-out. Note that each scenario includes buy-out based on a desired percentage of salary and buy-out based on a specific number of courses from which the faculty member is to be released. When the number of courses corresponding to a certain percentage of time bought out does not divide evenly into the number of courses in his or her assignment, the director and the applicant may consider the number of credits of each, whether team teaching for partial course load is possible, and whether the number of courses released might vary over multiple funded years.

1. Faculty member with a teaching load of 6 courses for the 9-month academic year and expectations for productivity distributed as 50% teaching, 40% research and 10% service

   With this workload, a person buying out 50% of his or her teaching time would be buying out 25% of his or her 9-month salary. The applicant and the director would agree on which three of his or her six courses, during which quarters, the applicant would be released from teaching if the grant or contract were funded.

   The buy-out salary to be budgeted for this person if he or she is requesting a one-course buy-out would be 1/6 of 50% of his or her salary. This is equal to the salary x .0833. The applicant and the director would agree on which one of his or her six courses, during which quarter, the applicant would be released from teaching if the grant or contract were funded.

2. Teaching load of 6 courses for the 9-month academic year and expectations for productivity distributed as 40% teaching, 50% research and 10% service

   With this workload, a person buying out 50% of his or her teaching time would be buying out 20% of his or her 9-month salary. The applicant and the director would agree on which three of his or her six courses, during which quarters, the applicant would be released from teaching if the grant or contract were funded.
The buy-out salary to be budgeted for this person if he or she is requesting a one-course buy-out would be 1/6 of 40% of his or her salary. This is equal to the salary \(x \cdot 0.0666\). The applicant and the director would agree on which one of his or her six courses, during which quarter, the applicant would be released from teaching if the grant or contract were funded.

3. Faculty member with a teaching load of 9 courses for the 9-month academic year and expectations for productivity distributed as 50% teaching, 40% research and 10% service

With this workload, a person buying out 50% of his or her teaching time would be buying out 25% of his or her 9-month salary. The applicant and the director would agree on which four to five of his or her nine courses, and during which quarters, the applicant would be released from teaching if the grant or contract were funded.

The buy-out salary to be budgeted for this person if he or she is requesting a one-course buy-out would be 1/9 of 50% of his or her salary. This is equal to the salary \(x \cdot 0.0556\). The applicant and the director would agree on which one of his or her six courses, during which quarter, the applicant would be released from teaching if the grant or contract were funded.

4. Faculty member with a teaching load of 5 courses for the 9-month academic year and expectations for productivity distributed as 30% teaching, 60% research and 10% service

With this workload, a person buying out 50% of his or her teaching time would be buying out 15% of his or her 9-month salary. The applicant and the director would agree on which one or two (depending upon the number of credits of each) of his or her five courses, and during which quarters, the applicant would be released from teaching if the grant or contract were funded.

The buy-out salary to be budgeted for this person if he or she is requesting a one-course buy-out would be 1/9 of 50% of his or her salary. This is equal to the salary \(x \cdot 0.0556\). The applicant and the director would agree on which one of his or her six courses, during which quarter, the applicant would be released from teaching if the grant or contract were funded.

Discussed/approved by the CHSP Executive Committee
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