



**POLICY: INVESTIGATOR SALARIES ON GRANTS AND CONTRACTS  
EFFECTIVE DATE: JULY 01, 2006**

**Background**

Accurate effort reporting on grants and contracts is essential if the University is to maintain effective research compliance programs and minimize financial risk. Many universities in the U.S., including USF, have had to re-pay large amounts of money back to the funding agencies because of improper allocation of expenditures on grants and contracts. This has been especially apparent with federal awards.

In the past, University personnel have provided significant cost share to their grants and contracts. Cost share occurs when faculty and other personnel provide effort to a project but take no or less than the identified salary from the award. Several problems develop with this practice:

- ◆ Cost share effort may not be reported accurately and could result in a significant payback to the funding agency, if the award is audited.
- ◆ Cost share that subsidizes research is being paid primarily from state resources during a time when most of the dollars the state provides is intended for instructional programs.
- ◆ Cost share on grants and contracts adversely impacts the overhead formula that is calculated and negotiated to establish the University's indirect cost rate with the federal government.

In order to avoid the above compliance issues, salaries need to be fully captured from all awards. By doing this, salaries are recorded into the USF payroll system which provides for the basis of identifying the percent effort of personnel on grants and contracts which is entered into the personnel effort reporting tool or PERT. With this system in place, personnel only need to certify whether the effort reported in PERT is the effort that the individual member placed on the related award.

### **Policy Implementation:**

The following is to be implemented by all investigators funded by extramural grants and contracts unless the USF Health Office of Research approves a specific waiver:

- ◆ Personnel salaries will be placed on grants and contracts according to the proposal's respective budget and budget narrative.
- ◆ Cost share of personnel salaries needs to be eliminated except in those cases where agencies demonstrate a published policy regarding their practice of non-provision of salary support, such as on federally-sponsored training grants or grants from voluntary agencies (with prior approval from the USF Health Office of Research).
- ◆ Personnel are required to certify their effort on grants and contracts according to the actual effort allocated to their respective awards.

The payroll system provides an accurate means to capture effort on grants and contracts when salaries are paid from active awards. Effort needs to be reported accurately to comply with state and federal rules and regulations, and reduce associated financial risks. This policy is consistent with research compliance efforts on this campus and at other major research institutions.