

**Harvard Pilgrim Health Care, Inc.
Harvard Pilgrim Health Care Institute, LLC
Office of Sponsored Programs
Policy and Procedure**

TITLE: Calculating Salaries and Calendar Months for Grant Submissions

SCOPE:

All Harvard Pilgrim Health Care, Inc. (HPHC)/Harvard Pilgrim Care Institute (HPHCI) employees who conduct research, teaching or research administration activities in support of the charitable and educational mission of HPHC, Inc.

PURPOSE:

To provide guidance to faculty on calculating salary and calendar months when applying for grants and contracts, especially for faculty whose institutional base salary (IBS) is less than one (1.0) full-time equivalent (FTE) or whose effort is reduced during the course of their employment.

POLICY:

HPHC/HPHCI follows 2 CFR §200.430 Compensation – Personal Services of the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, Compensation (Uniform Guidance) regarding the charges for work performed on Federal and non-Federal awards by all faculty members which are allowable at the IBS rate. IBS is defined as the annual compensation paid by an institution for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the institution. Unless there is prior approval by the Federal awarding agency, charges of a faculty member's salary to a Federal award must not exceed the proportionate share of the IBS for the period during which the faculty member worked on the award.

Accurate budget preparation, including salary calculation, is a critical component of a proposal as it provides insight into project management as well as defining the amount of funding necessary to conduct the project. A reviewer can determine a great deal about a project based on a budget and the budget review can help or hinder the final outcome of the proposal review.

All grant budgets must calculate salaries and wages using each person's IBS and time and effort committed to the project. The Federal salary cap must be applied when applicable.

PROCEDURE: The following tables represent examples of calculating the salary and calendar months for faculty with full and half-time appointments.

Example 1: Application/proposal not subject to the salary cap

Individual's IBS for a 12-month appointment at 1.0 FTE	\$200,000
10% Research effort requested in application/proposal	\$ 20,000
Fringe benefits requested (28% of salary)	\$ 5,600
Total amount requested	\$ 25,600
12 months x 10% = 1.20 CM	

Example 2: Application/proposal not subject to the salary cap

Individual's IBS for a 12-month appointment at 0.50 FTE	\$ 100,000
10% Research effort requested in application/proposal	\$ 10,000
Fringe benefits requested (28% of salary)	\$ 2,800
Total amount requested	\$ 12,800
12 months x 0.50 FTE x 10% = .60 CM	

Example 3: Application/proposal subject to the salary cap of \$187,000 (based on a grant award/contract issued on or after January 8, 2017).

Individual's IBS for a 12 month appointment at 1.0 FTE	\$200,000
Direct salary – based on salary cap of \$187,000	\$187,000
10% Research effort requested in application/proposal (cost share = \$1,300)	\$ 18,700
Fringe benefits requested (28% of salary)	\$ 5,236
Total amount requested	\$ 23,936
12 months x 1.0 FTE x 10% = 1.20 CM	

Example 4: Application/proposal subject to the salary cap of \$187,000 (based on a grant award/contract issued on or after January 8, 2017).

Individual's IBS for a 12 month appointment at 0.50 FTE	\$100,000
Direct salary – based on salary cap \$187,000 x 0.50 FTE =	\$ 93,500
10% Research effort requested in application/proposal (cost share = \$650)	\$ 9,350
Fringe benefits (28% of allowable salary)	\$ 2,618
Total amount to be awarded due to salary limitation	\$ 11,968
12 months x 0.50 FTE x 10% = .60 CM	

DEPARTMENT: OSP	TITLE: Calculating Salaries and Calendar Months for Grant Submissions
EFFECTIVE DATE: 9/7/17	
REVIEWED ON:	
REPLACES P/P DATED:	
REFERENCES: NIH Notice Number: NOT-OD-16-045- Notice on Salary Limitation on Grants, Cooperative Agreements, and Contracts; 2 CFR §200.430 Uniform Guidance	
APPROVED BY: HPHCI Compliance Committee 9/7/17	