Questions about Summer Effort

Below are questions relevant to faculty with nine-month appointments, who are mainly, although not exclusively, located in the College of Arts & Sciences.

1. Can I spend time on University business (such as writing proposals or preparing for classes) but still charge 100% of my summer salary to my sponsored projects?

Possibly, if an offsetting percentage of time was paid for by the University as cost sharing on the appropriate sponsored projects during the same effort cycle elsewhere in the academic year. (There are two effort cycles: July 1-December 31; January 1-June 30.) Faculty and departments have three charging options:

- The simplest approach is to calculate each month separately. If you project that you will devote 30% of your summer time working on proposal preparation (a cost that cannot be charged to your sponsored projects), you would then charge your sponsored projects 70% time.

- The federal rules do, however, permit a researcher to “average” his/her time over the effort reporting cycle without requiring that you make salary adjustments for short-term (e.g., one or two months) fluctuations provided the distribution is reasonable over the longer term (such as the six month effort reporting period). Because our effort cycles extend beyond the summer period, this means some averaging between summer and academic year appointments can occur, as necessary. Accordingly, if during the course of a full effort cycle your appropriate sponsored projects time is (or will be) 70% and the appropriate University business percentage is 30%, the researcher may then charge their salary that way for the entire effort period and is not required to make salary adjustments to cover short-term fluctuations regarding how their effort was or will actually be devoted. The cumulative percentages must, however, turn out to be accurate when the effort cycle is certified.*

- In this same example, the researcher could also legitimately charge their salary 100% to one fund source for 70% of the time covered by the effort cycle, and charge their salary 100% to another fund source for the rest of the effort cycle (30%). This is permissible, although not ideal
because it requires careful documentation for a potential auditor. Additionally, there are challenges involved in managing mid-course adjustments (see note below).

NOTE: While the latter two charging options are permissible, faculty and departments need to be aware of the potential pitfalls of using these methods. Specifically, if their plans change during the effort cycle more than the 5% variance allowed, adjustments going back to the beginning of their effort cycle may be needed. It is possible that some fund sources will no longer be available by that time to charge their salary. For example, if a faculty member realized late in an effort cycle that the correct “split” of effort for that cycle was actually 80% to sponsored projects and 20% to the department rather than 70/30, but one of their grants had ended earlier in the effort cycle, that fund source would likely no longer be available to pick up its share of that extra 10%. It is also possible that an award, while still open for charging, doesn’t have the funds necessary to pick up that extra cost. The Office of Sponsored Research will normally not “re-open” awards for which financial reports have already been submitted to allow extra charges. Instead, that grant’s share of the extra 10% would have to be paid by an allowable departmental fund source (thus constituting a cost-share). Other sponsored awards may not be charged to cover a deficit in another sponsored fund source. These problems can be avoided or minimized by either using the first option described above or by regularly (meaning monthly or every other month) conducting a review and reconciliation of sponsored projects, by PI/department, to make sure that labor distributions for the full effort cycle remain accurate or are updated early enough so that historical salary adjustments are not needed.

2. What if I want to charge 100% of my summer salary to sponsored projects?

Charging sponsored projects for effort as it is devoted on a monthly basis remains the simplest approach. If this method is used, faculty still need to take care that they not conduct other University business at the time they are charging sponsored projects for their time. It is appropriate for department chairs or others to verify with their faculty that charges to sponsored projects remain appropriate over the course of an effort cycle. However, because the University does not have an effort cycle that is limited solely to the summer academic period, it is permissible for faculty to “average” their effort across the applicable portions of the academic year and summer appointments contained in a given effort cycle. This may result in an appearance that a sponsored project was charged 100% during
the summer while University business was conducted; however, it will also be the case that there will be an offsetting amount of sponsored project effort devoted during the academic year while the researcher's salary was paid by the University. *By the end of an effort cycle, the proportionate pay (direct charged or cost-shared) and effort are expected to be in balance.*

*Departments using alternative methods for recording summer cost share will be responsible for manual adjustment of effort reports as payroll transactions are the basis for the effort reports.*

**The Federal regulations, award specific sponsor terms and conditions (including agency-mandated salary caps) and the University’s allowable earnings limitations (one-third of nine-month salary) all apply during the summer months so please be mindful of them when charging summer salary. Examples are included in the attached pages. To see the policy on Summer Compensation for Faculty, the following link is provided [http://academicpersonnel.unc.edu/faculty-policies-procedures-guidelines/compensation-and-pay/summer-compensation-for-faculty/](http://academicpersonnel.unc.edu/faculty-policies-procedures-guidelines/compensation-and-pay/summer-compensation-for-faculty/)*