

New York University

UNIVERSITY POLICIES

Title:	Personnel Costs for Sponsored Programs Policy
Effective Date:	March 16, 2020
Supersedes:	December 1, 2017
Issuing Authority:	Sponsored Programs Administration
Responsible Officer:	Assistant Vice President for Post-Award Administration

Policy

It is the policy of New York University (NYU, “the University”) that all costs proposed or incurred on a sponsored project must comply with the *Federal Office of Management and Budget Uniform Guidance* ([OMB Uniform Guidance](#)) and sponsor requirements for charging compensation costs to sponsored programs. As required under the OMB Uniform Guidance, compensation costs must be charged to sponsored programs in a consistent manner.

Purpose of this Policy

The purpose of this policy is to provide guidance on charging compensation costs to sponsored programs to comply with Federal and other sponsor regulations and University policy and to promote consistency.

Scope of this Policy

This policy is applicable to all schools, departments, units and personnel of the University involved in administering sponsored awards.

Procedures for Implementation

a. Charging Employee Salaries

i. Bonuses and Compensated Absences, including Vacation, Sabbatical, Sick Leave

Bonuses and compensated absences are allowable as direct costs to sponsored projects, provided they are paid in compliance with NYU policy, award terms and conditions and in proportion to the effort certified on the project.

ii. Continuity of Pay and Stipends

In times of unexpected or extraordinary circumstances that result in a disruption in research operations and subject to agency specific guidance, employee salaries and benefits as well as fellowship stipends may be charged to currently active sponsored awards regardless of the funding source where employees and fellows are authorized to work from home, are onsite as essential personnel or conducting critical research, or a combination of both. Such charges must be consistent with NYU and sponsor guidance and should be continuously evaluated.

For employees and fellows whose work cannot be performed remotely, Principal Investigators should consider whether they can be reassigned to duties that can be performed remotely or relieve others who are assigned as essential/critical. If work can be performed on a different sponsored project, salaries and stipends should continue to be charged as appropriate.

When no work can be performed, charging salaries and benefits or stipends may be allowed to sponsored awards as a paid excused absence under the circumstances based on NYU guidance and subject to agency specific guidance. The PI may be required to remove staff salaries charged to any award where no effort is committed to the project where the agency disallows such charges.

Subrecipients and subcontractors should adhere to their institutional guidance and policies on continuity of pay and stipend support in times of unexpected or extraordinary circumstances that result in a disruption in research operations, including when no work can be performed. Subrecipients and subcontractors should provide documentation to NYU, the pass-through entity, such that NYU can respond to sponsor requirements regarding documentation that describes the effects, and how long the subrecipient/subcontractor and related research was or will be impacted.

iii. Sabbatical Leave

In general, a sabbatical leave is granted to the eligible faculty member, starting September 1, for the usual teaching terms (i.e., September to June) of one academic year, at three quarters of annual base salary (or 75%). There are several alternatives for the length of leaves. See *Term and Compensation of the Sabbatical in the Faculty Handbook* at: <http://www.nyu.edu/faculty/governance-policies-and-procedures/faculty-handbook.html>

All sabbatical leave arrangements approved by the University carry the restriction that the faculty member is not permitted to engage in any form of regular academic or other employment to supplement the sabbatical salary. However, a member of the faculty is entitled to supplement the salary provided by the University during the period of leave with funding provided by an external sponsor. This funding must be for research and related activities, in an amount approved by the sponsor, the total compensation is no more than the full base salary and the leave otherwise complies with the terms and conditions of the award.

Thus, if a faculty member is granted three quarters of annual base salary, the maximum allowable sponsored funding for Sabbatical leave would be one quarter of the base salary (or 25%).

The faculty member must take the initiative to report plans for sabbatical leave to the sponsor and identify the salary supplementation explicitly in the proposal whenever possible, and must make known to the department chairpersons and dean at the time of request for sabbatical leave that such funding is being, or will be, sought from the sponsor.

For further guidance on the policy e.g., approvals and documentation, see Faculty Handbook at <http://www.nyu.edu/faculty/governance-policies-and-procedures/faculty-handbook.html>.

iv. Effort Reporting

Personnel costs consist of salaries and staff benefits estimated for the percentage of time that NYU employees will work on a project. Federal sponsors consider any effort described in the proposal narrative, budget or budget justification, but not charged to the sponsor, to be a binding commitment (voluntary cost sharing) that must be tracked, certified and reported. See the [*Effort Reporting Policy for Sponsored Programs Policy*](#).

v. Salary Cap Administration

Some Federal programs limit the total amount of salary or the salary rate that can be requested. The National Institutes of Health (NIH) limits the amount of salary that can be requested on research grants. See the [*Salary Cap Administration Policy*](#).

v. Charging Severance to Sponsored Awards

Under the University's *Severance Pay Policy*, an employee may be eligible for severance pay if the individual meets the criteria listed in the policy.

Severance payments that are due to normal recurring turnover and which otherwise meet the conditions of the award and University policy may be allowed provided the actual costs of such severance payments are regarded as expenses for the current fiscal year. These expenses must be equitably distributed in proportion to effort committed.

Upon termination of employment, costs incurred in excess of the institution's severance pay policy are unallowable.

vi. Procedures for Direct Charging Trainee Tuition

Direct charging of trainee tuition (as opposed to the NYU tuition remission rate) is allowable only when the purpose of the sponsored project is to provide training to selected participants (i.e., training/instruction grants) and the charge is approved by the sponsoring agency. Therefore, to be allowable for sponsored projects, direct charging of tuition and fees must be communicated to the sponsor during a proposal process and must be included in the award budgets.

vii. Tuition Remission

Tuition remission in lieu of fringe benefits is provided to graduate students. Tuition remission is charged as a percentage of the individual salary regardless of whether the student will be taking classes or not during the project period. Tuition remission is included in the Other Costs category and is excluded from MTDC. At NYU, tuition remission rates vary by school.

viii. Emeritus Faculty

To charge an individual salary to a sponsored program, the individual must be an NYU employee.

At NYU, the titles of Professor Emerita and Professor Emeritus are given only to full professors who have served NYU with academic distinction for a significant period of time prior to retirement. This title is given only upon formal retirement from active service, or at least from full-time active service.

In rare instances when they are Principal Investigators (PIs) on a research-related project, they should be hired as Research Scientists for the period of the award.

ix. Visiting Faculty

At NYU, compensation for a visiting faculty member on a sponsored program is normally paid through the University payroll.

x. Charging Graduate Student Assistantship

a. Salary

Graduate Research Assistants (GRA's) are graduate students whose time is divided between formal study and research. GRA's receive salary (not stipend support). Their remuneration is generally calculated on the basis of 12 months of service, including one month's vacation. Tuition remission is charged as a percentage of their salary in lieu of fringe benefits. At NYU, tuition remission rates vary by school.

b. Stipends

Stipends are part of student aid costs and not allowed on research grants without prior sponsor approval. These are payments made to an individual that are not contingent on the individual completing a specified activity.

They are allowable only when the purpose of the sponsored project is to provide training to selected participants (i.e., training/instruction grants) and the charge is approved by the sponsoring agency or when charged to scholarship or fellowship grants.

For living expenses, stipends may be provided to fellows who are not NYU employees and considered NYU trainees.

xi. Charging Postdoctoral Appointments

Postdoctoral appointments allow recent Ph.D. (and equivalent advanced or terminal degree) recipients a period in which to further their education and professional training. NYU is committed to providing these individuals with the opportunity to carry out postdoctoral studies in a research environment that can significantly broaden an individual's expertise, provide a period of extensive independent and mentored scholarship and help define future career paths. For guidance of managing postdoctoral appointments, please refer to [Postdoctoral Appointments Policy for NYU Washington Square](#).

Policy Definitions

N/A

Related Policies

- Charging Administrative Expenses to Federal Awards Policy_
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/charging-administrative-expenses-to-federal-awards-policy.html>
- Costing Policy
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/costing-policy.html>
- Effort Reporting Policy for Sponsored Programs
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/effort-reporting-policy-for-sponsored-programs.html>
- Faculty Handbook
<http://www.nyu.edu/faculty/governance-policies-and-procedures/faculty-handbook.html>
- Postdoctoral Appointments Policy for NYU Washington Square_
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/postdoctoral-appointments-policy-for-nyu-washington-square.html>
- Principal Investigator's Guide – Section 2_
<https://www.nyu.edu/research/resources-and-support-offices/getting-started-withyourresearch/office-of-sponsored-programs/proposal-guidance/principal-investigators-guide/principal-investigators-guide-section-2.html>
- Severance Pay Policy
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/severance-pay-policy.html>
- Salary Cap Administration Policy
<http://www.nyu.edu/about/policies-guidelines-compliance/policies-and-guidelines/salary-cap-administration-policy.html>

Federal Regulations

- OMB Uniform Guidance
http://www.ecfr.gov/cgi-bin/text-idx?tpl=/ecfrbrowse/Title02/2cfr200_main_02.tpl
- NIH Notice, Salary Limitation on Grants Cooperative Agreements, and Contracts.
<http://grants.nih.gov/grants/guide/notice-files/NOT-OD-12-035.html>