

From: Kathleen Thompson <klt@stanford.edu>

Sent: Friday, September 7, 2018 1:58 PM

To: director_finance_administration_meeting@lists.stanford.edu

Cc: Donna Mahood <dmahood@stanford.edu>; Mila Dacorro <mdacorro@stanford.edu>; Samuel G. Zelch <szelch@stanford.edu>; Ann Bjelland <bjelland@stanford.edu>

Subject: REMINDER: Charging faculty effort to sponsored projects

DFAs

I understand there may be some confusion about how administrative supplements should be allocated for faculty. As stated in the email from 2008 (see attached), when faculty commit effort to sponsored projects (including clinical trials), he/she is committing a [percentage of their full time responsibilities](#). Therefore, all salary components (base + variable + admin supplements) must be allocated to sponsored projects. When you don't charge a percentage of the total salary then you are committing to cost share and you must establish a cost sharing PTA.

For faculty who devote effort on sponsored projects, administrative supplements should be distributed via LD (labor schedules/distribution). These 3 components are considered the individual's institutional base salary (aka Stanford Base Salary) as defined in the [Research Policy Handbook](#). [NIH](#) policy defines institutional base salary as:

For the purposes of the salary limitation, the terms "direct salary," "salary," and "institutional base salary" have the same meaning and are exclusive of fringe benefits and facilities and administrative (F&A) expenses, also referred to as indirect costs. An individual's institutional base salary is the annual compensation that the applicant organization pays for an individual's appointment, whether that individual's time is spent on research, teaching, patient care, or other activities. Base salary excludes any income that an individual may be permitted to earn outside of the duties to the applicant organization.

Also note, this also applies to HHMI & SU-VA faculty who are devoting effort to sponsored projects and receiving admin supplements from SU.

Please contact your Research Financial Compliance Manager in RMG if you have questions (see <http://med.stanford.edu/rmg/rpmmaster.html#team>)

Kathleen

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Date: Thu, 17 Apr 2008 11:56:21 -0700

To: som-all-dfa@lists.stanford.edu

From: "Samuel G. Zelch" <szelch@stanford.edu>
Subject: Fwd: Re: Reminder.....charging faculty effort

Dear DFA Colleagues,
Recently Kathleen sent out the below reminder about charging faculty effort and I want to re-iterate the importance that DFA's review their Departments practice in this regard and ensure that you are in compliance.

When you commit effort to a sponsored project, you are committing a percentage of your full time responsibilities and all salary components (b+v+a). If you don't charge a percentage of your full time salary then you are committing to cost sharing and that would not likely be your intent.

For some of you, the inclusion of your admin supps may bring into play the issue of salary caps and though this potentially complicates the matter, guidance can be sought from your RMG representative if needed.

Sam

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Date: Fri, 14 Mar 2008 15:28:22 -0700
To: som-all-dfa@lists.stanford.edu
From: Kathleen Thompson <klt@stanford.edu>
Subject: Reminder.....charging faculty effort
Cc: szelch@stanford.edu

DFAs

Recently there have been several questions raised about how to calculate salary for faculty devoting effort on sponsored projects. The percent effort represented on sponsored project budgets reflects a percentage of their total responsibilities. The associated salary should also reflect a percentage of their total salary (b+v+a).

Let me know if you have any questions.

Kathleen

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