



## **Salary Exchange Policy**

### **Purpose**

The Henry Samueli School of Engineering procedure for charging academic year salaries to extramural funding will permit ladder rank senate faculty to charge a component of academic-year salary to extramural funding awarded to the Principal Investigator (PI), if allowable by the sponsor. This would create salary savings from the state funded provision (PI's senate title and FTE), providing a mechanism for the School to support temporary commitments and for the PI to support research needs.

### **Program Participation**

Faculty participation in the program is voluntary. An individual faculty member requests participation by submitting a completed request form, specifying the percentage of time to be charged to extramural funds and obtaining advance approval of the Chair and Dean. Upon receipt of approval, the Department's Personnel Office will implement the salary change in the payroll/personnel system and the School's Business Office will implement the financial arrangements.

### **Salary Savings**

Participating PIs will retain 70% of the salary savings generated in a special account for his/her use in support of research expenses or activities. The funds can be used only to support research personnel and the research needs of the PI. They cannot be used for entertainment or other unauthorized activities. For administering the transaction, the HSSoE Dean's Office will retain 30% of the salary savings generated in state general funds.

### **Guidelines**

1. The proposed salary exchange must be allowable by the granting agency and found by the Dean's Office to be consistent with the terms of the sponsored project.
2. This program is not a course buyout program and will not function as such. Approved participation does not relieve the faculty member in any way of his/her teaching and service obligations. The PI will be expected to complete his/her full complement of course offerings (teaching load) and service commitments and will continue to accrue sabbatical credit for each quarter of qualifying service.
3. The maximum amount of salary charged is 50% per academic year and cannot exceed 50% in a given quarter. The compensated effort supported by extramural funds will not exceed 50% of a faculty member's time in any given academic year. The Dean's Office will evaluate each request considering the PI's research commitments in total to ensure that an appropriate balance exists to teaching and service efforts.
4. No retroactive transactions will be approved or processed, consistent with standard accounting practices. Extramural funds will be charged consistent with academic quarter payroll dates, as follows: Fall: July 1 - October 31, Winter: November 1 - February 28, Spring: March 1-June 30.
5. Benefits costs associated with the percent of effort charged to extramural funding will be charged to that funding source. Salary savings do not include the benefit portion paid by the state.
6. The PI will be expected to certify the salary charged to the extramural award through the annual Payroll Certification System report associated with the budget period the salary is charged. By doing this, the PI verifies that the payroll charged to the award is correct and reasonable in relation to the work performed.
7. This program is subject to periodic review and may be modified or discontinued at the discretion of the Dean's Office.