

Grant Budgeting

Faculty should **always** budget for the estimated time/effort that it will realistically take to manage the research described in the application. As such, the College desires to simplify budgeting for grant proposals. To that end, all faculty in the College will use a simple “FY percent effort” budgeting process as described below. The advantages of budgeting AY faculty with “FY percent effort” budgeting are as follows:

- PI’s provide accurate reflection of projected effort for the duration of the project in a manner that would sustain audit, thus, protecting the faculty from possible unintended liabilities.
- It simplifies the budgeting and reporting for faculty by simply asking for percent effort over the project period.
- Faculty effort is transparent to the faculty member, the business office, and SPS.
- Achieving full summer salary support is the first priority, then the department and faculty member share in excess salary recovery in a defined manner.
- AY Faculty have the opportunity to directly benefit from salary recovery in excess of 25% by receiving up to 2 weeks of additional summer salary.

Budgeting Guidelines

- “Percent Effort” will be defined based on calculated FY salary (i.e., FY budgeting). To calculate effort, the PI should estimate the “percent effort” by estimating the average number of hours per week required to manage the proposed project over the project period. This average number of hours per week will be divided by 40 to calculate “percent effort.”
- Pre-award and the College Business Office will handle the specific language in grant submissions, progress reports, etc. that reflect Purdue time accounting for the specified level of “percent effort” based on the PI’s appointment (AY vs FY).
- Salary recovery for AY faculty will be handled as follows:
 - ~22% effort (based on calculated FY salary) will be needed for “full” 10 weeks of summer compensation. For those with partial summer support (i.e., <22% effort), the Business Office will calculate the appropriate summer compensation for the overall percent effort and available funds.
 - 25% effort will provide 10 weeks of summer and 3% recovery to the home department to be used at the Head’s discretion or based on a department-defined policy.
 - 25-35% effort - this window of 10% of effort will be a 50:50 split between the PI and the home department to be used at the Head’s discretion or based on a department-defined policy. The PI may elect to receive their share as either university funds OR *up to an additional 2 weeks of summer compensation as funds are available and allowed by the sponsor.*
 - >35% effort – additional effort above 35% salary recovery will be split between the department and faculty member at the discretion of the Head or based on a department-defined policy.
 - All salary recovery in excess of the summer 22% will be returned to Assistant Professor-level faculty members. The above split applies to associate professors and above.
 - NOTE: Due to departmental differences in budgeting, salary recovery for FY faculty will be defined by the respective Department Heads.

Recognizing the variability in types of projects, the final percent effort should be defensible and clearly justifiable. In those instances where actual effort is expected to exceed the budgeted effort, the faculty should work with Pre-Award to complete a salary cost-share request so that total effort on the project is accounted correctly. Sponsor guidelines may also limit faculty effort.

A general “rule of thumb” guideline for faculty would be:

- For “R03 size” applications (up to \$50K; supervising 1 research personnel): Faculty effort 3%
- For “R21 size” applications (\$50K-\$150K/yr; supervising 1-2 research personnel): Faculty effort 5%-10%.
- For “R01 size” applications (>\$150K/yr; supervising ≥ 2 research personnel): Faculty effort 30% for first funded project; 20% for subsequent applications.

In the early budgeting process, Pre-Award will be asked to remind faculty of the above guidelines and request justification (as simple as a single sentence email) for variances to the above guidelines. This email can be attached to COEUS to improve communication to the Head and Associate Dean for Research.