



Policy Name: Minimum Salary Charged to Grants

Unit Responsible for Policy: Office of Grants and Contracts (OGC)

1. Purpose

The purpose of this policy is to improve compliance and consistency with the application of salary in grant and contract budgets in accordance with the Federal Uniform Guidance (2 CFR 200) and PSU policies (RA21 and RA64). This ensures that all expenses reimbursable to an individual can be tied back to their direct effort on the sponsored project.

2. Scope

The scope of this policy applies to all individuals that work with grants and related funding. It directly affects Principal Investigators and Key/Senior Personnel listed on grants.

3. Responsibilities

The primary individual(s) involved in determining the correct amount of time budgeted to grants is the Principal Investigator (PI). The staff of the Office of Grants and Contracts (OGC) and departmental units are responsible for working with the PI to ensure that the funds and effort budgeted are correct at the time of proposal submission.

4. Policy

A minimum of 1% salary and fringe will be charged to all sponsored project budgets for the PI and all individuals identified as Senior/Key personnel. Additional salary and fringe can be charged to the grant if desired.

Salary savings realized by directly charging salaries to grants is returned to the Unit.

For projects that include supervision/mentoring of students, subcontract collaborators and/or international partners, additional PI(s) time and effort allocated to the grant is encouraged.

The only exceptions to this policy are detailed in Policy RA21. It is considered acceptable by PSU to show zero faculty time and effort on the budget in the following instances:

- Gifts
- Instrumentation grants (where the sole purpose of the grant is to procure equipment or property)
- Conference/workshop grants (where the sole purpose of the grant is to support a conference or workshop)
- Training grants and other student-led projects where the PI is just supervising student effort
- Industry membership agreements (as long as a source of funds is identified for covering the PI's administrative effort)
- Non-federal projects < \$50K as long as a percent of the PI's time is paid on general funds. (If a researcher is paid solely on external funds, then some percentage of his or her salary must be charged to every project on which he or she works.)

5. References

- [Uniform Guidance - 2 CFR 200](#)

- [Policy RA21 - Development of Proposal Budget](#)
- [Policy RA64 – Personnel Costs](#)
- [Compensation, Effort Reporting and Related Issues FAQ](#)
- [OGC101 – FAQ Minimum Salary Charged to Grants](#)

6. Definitions

Definition of Senior/Key Personnel: Principal Investigator(s), Co-Principal Investigator(s) -- the individual(s) designated by the proposer, and approved by sponsor, who will be equally responsible for the scientific or technical direction of the project as the PI. The first individual listed in the proposal and budgets is identified as Principal Investigator and will serve as the contact PI. All communications between sponsor program officials and the project relating to the scientific, technical, and budgetary aspects of the project should take place with this PI. The PI and any identified co-PIs, however, will be jointly responsible for completion of the project, financial stewardship of grant funds and submission of the requisite project reports.

7. Version History

- Version 1.0, April 15, 2019
- Version 2.0, February 9, 2023