

# Academic Cost Recovery/Salary Savings

## Office of Contracts & Grants

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# Learning Objectives

- 1 What is Academic Cost Recovery/Salary Savings?
- 2 How can Salary Savings benefit me?
- 3 Steps to take if you are in a Statewide Program, REC or UCCE/BOC

# 1

## Academic Cost Recovery/Salary Savings

- When the academic salary and benefits of UC ANR personnel (who are not “soft-funded”) are included in the project budget and charged to the sponsor, then those “UC ANR salary” costs are considered Salary Savings and the salary portion (minus benefits) may be transferred to a Salary Savings Account.
- Governed by applicable University, federal, state and county regulations, policies, and procedures and contractual requirements stated in the project agreements.
- Administrative Handbook Policy 292 – Cost Recovery



## 2

## How can Salary Savings benefit me?

- ANR Salary Recovery Policy Encourages Investigators to recover reasonable and appropriate salary support from grants and contracts proportionate to the function of the time and effort devoted to the project.
- Funds can be used to cover expenses of the Investigator's on other programmatic activities beyond the funded project (similar to a discretionary account).



### 3

## What steps can I take to implement?

- Must include PI and/or academic salaries and benefits in proposal budgets (based on the % of time PI intends to work on project to complete programmatic work).
- Once your project is awarded, OCG will include the check box for academic cost recovery in your good news letter.
- Work with your Statewide office, REC or BOC as indicated in next slides to complete necessary steps.
- If you are expecting an award with academic cost recovery and award has been delayed, remember to request an advance account, especially in cases where it crosses fiscal years.

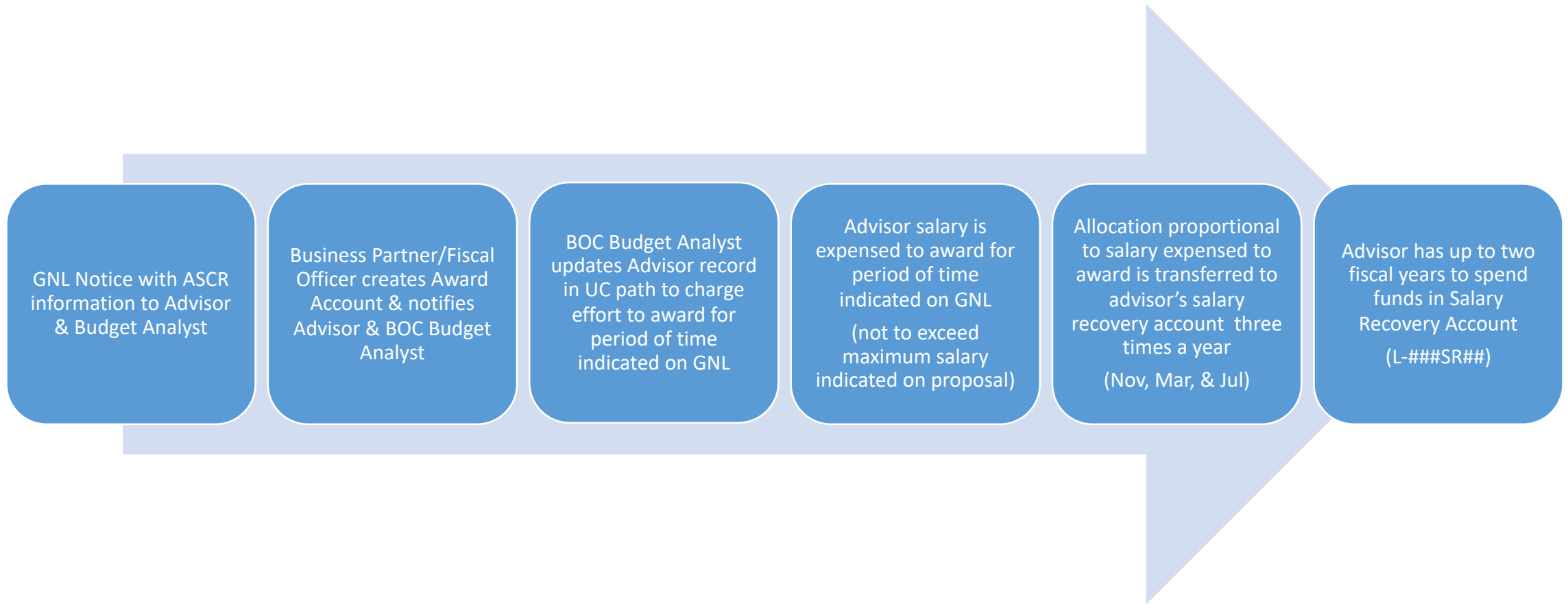
# REC Process

- REC Directors can include a % of their efforts on a projects' budget and utilize salary savings beyond the current year.
- When project is awarded, ANR C & G creates GNL, UCD Contracts and Grants Accounting creates fund number, REC Office/Business Manager creates new project account for approved award
- SWPR Director updates Academic's funding in UC PATH - PI's salary & benefits will be charged to the new grant account for the designated % of time
- During the current year, Directors may utilize salary savings when available.
- At fiscal close, Business Manager will coordinate with SWPR to exchange the salary portion of the salary savings into the REC's Director's specific Salary Cost Recovery Account and Sub-account. These transfers will be completed in June before fiscal close.
- Contact your REC's Business Officer if you have questions!

# SWPR - Statewide Programs and Institutes Process

- Statewide Programs' Directors and ANR based CE Specialists can include a % of their efforts on a projects' budget beyond the current year.
- When project is awarded, ANR C & G creates GNL, UCD Contracts and Grants Accounting created fund number, SWPR Business Manager creates new project account for approved award
- SWPR Business Manager updates funding in UC PATH to charge PI's designated % effort to the new grant account.
- During the current year, Directors & CE Specialists may utilize salary savings when available.
- At fiscal close, Business Manager will coordinate with SWPR to exchange the salary portion of the salary savings into the Director's/CE Specialist's specific Salary Cost Recovery Account and Sub-account. These transfers will be completed in June before fiscal close.
- Contact your Business Manager if you have questions!
- Campus based CE Specialists should work with their Dean's office to determine the process.

# BOC Summary of Action Items





# BOC Initial Planning and Process

- GNL notice of award and separate notice to create account is sent to the Advisor and BOC Business Partner/Fiscal Officer
  - BOC Business Partner creates new project account for the approved award and notifies the Advisor and Budget Analyst of the account
- BOC Budget Analyst will complete the process to add PI's salary & benefits to the new grant account in UC Path for the designated % of time indicated on the GNL
- *ASCR Form no longer required.*
  - Pilot Action: GNL will include cost recovery start and end dates, effort %, and maximum salary & benefits amount



**Award Summary and Analysis**

**GTS No. Y21 - 5535 - New Award**

**PI:** [REDACTED]

**Project Title:** [REDACTED]

**Project Period:** September 01, 2021 through August 31, 2024

**Award Number:** MA1752

**Instrument Type:** K - Contract

**Sponsor:** [REDACTED]

**Sponsor Code:** 9263

**Sponsor Category:**

**CFDA Number:** 10.328 (note- there is a typo on attachment 2 of the award document. See the prime award.)

**Amount Funded:** \$99,730.00

**Direct Costs:** \$79,784.00

**Indirect Costs:** \$19,946.00

**Cost Sharing:** \$0.00

**Cost Share Type:** None

**Effort Commitment(s):**

[REDACTED] - 2% - 9/01/21-3/31/24 - max sal \$6,043, ben \$2,441

**Academic Cost Recovery:** Yes

**F&A (Indirect Cost) Rate:** 25.00%/26% after 7/1/22 **Base:** MTDC **Waiver No.:**

**Project Type:** Other

**Administrative Unit:** [REDACTED] County

**Administrative Unit OP Account:** L-620501

**OP Fund:**

**FFATA:** No

**Federal Contractor Minimum Wage:** No

**E-Verify:** No

**ANR Administrative Contact:** Katherine Hanke, 530-447-0801 Ext 1319

**Federal Flow Through Sponsor:** USDA NIFA

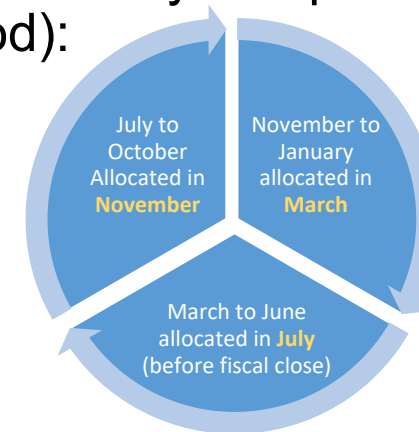
**Invoice Instructions:**

# Example of GNL notice

- Advisor effort may differ from project period for various reasons
- Maximum allowable salary cannot be exceeded, no matter the effort

# Academic Salary Savings Allocation

- BOC Budget Analyst transfers the value of the salary savings to the PI's Salary Cost Recovery Account
  - Allocation to the salary savings account is processed after the salary has posted to the award account (every four months for the previous four month period):
    - July to October allocated in November
    - November to February allocated in March
    - March to June allocated in July (before fiscal close)
- Benefits savings are not included in salary cost recovery (salary and leave accrual benefits are recovered as salary savings by Advisor, employee benefits portion stay with ANR)
- Only salary savings accrued during the current fiscal year may be transferred to the PI's Salary Cost Recovery Account



# Use of Recovered Salary Savings

- All UC ANR employee-related and purchasing policies apply
- Hire temporary support staff to assist the ANR academic whose time is devoted to work on the ANR program / activity
- Hire temporary personnel to develop and / or teach programs
- Purchase new equipment or resources for the ANR PI's program
- Pay for specific expenses associated with the ANR PI's program operations / activities
- Provide additional travel and professional development funds for the ANR academic. AB1887 Law restrictions apply. 22 states are currently on the restricted list. To find out more, go to [AB-1887 Travel Prohibition: https://www.ucop.edu/central-travel-management/resources/ab-1887-travel-prohibition-to-certain-states-using-state-funding-source%E2%80%8B.html](https://www.ucop.edu/central-travel-management/resources/ab-1887-travel-prohibition-to-certain-states-using-state-funding-source%E2%80%8B.html)
- Funds in ANR Academic Salary Cost Recovery Savings accounts are state funds (i.e., in addition to AB1887 restrictions, Gift Cards, Alcohol, etc., not allowed) - [State General Funds Restrictions: https://financeandbusiness.ucdavis.edu/finance/accounting-financial-reporting/fiscal-officer/accts-funds/uc-funds/gen/state](https://financeandbusiness.ucdavis.edu/finance/accounting-financial-reporting/fiscal-officer/accts-funds/uc-funds/gen/state)

# State Fund Restrictions

## Restrictions:

- > Additional Compensation/Lectures and Similar Services
- > Alcohol
- > Capital Projects
- > Debt Service Payments
- > Employee Morale Functions (Retirements, Employee Recognition, Department Picnics)
- > Entertainment
- > Gifts or Non-Cash Awards to Employees
- > Gifts Presented to Non-Employees
- > Honoraria
- > Memberships
- > Raffle Prizes, Door Prizes, and Incentive Gifts
- > Salary (Above NIH Cap, Fundraising, Health Sciences)
- > Sympathy Gifts and Cash Contributions
- > Student Aid
- > Tickets to Entertainment or Sporting Events
- > Tobacco
- > Travel

[Check out the UC Davis Finance Accounting web page on state funds for details:](#)

- [State General Funds Restrictions:  
https://financeandbusiness.ucdavis.edu/finance/accounting-financial-reporting/fiscal-officer/accts-funds/uc-funds/gen/state](https://financeandbusiness.ucdavis.edu/finance/accounting-financial-reporting/fiscal-officer/accts-funds/uc-funds/gen/state)

# Fund Availability

- All savings are currently being coded to fiscal year in which they are generated
  - Current Subaccount accumulating salary savings
    - F2223 (7/1/22 through 6/30/23)
- Advisors are urged to use oldest subaccount when incurring / coding expenses
  - F1718, F1819, F1920, F2021, F2122

Allocations for Request : Example trip

Request List

Allocate Selected Expenses Clear Selections View

Date	Expense Type	Group	Amount
08/19/2022	Ground Transp...		\$20.00

Allocations Total:\$20.00 Allocated:\$20.00(100%) Remaining:\$0.00(0%)

Allocate By: Add New Allocation Delete Selected Allocations Favorites Add to Favorites

Percentage	Chart/Account	Sub Account	Project	Reference	Object Code
<input type="checkbox"/> 100	(L/415SRJB) A	(F2122) Salary...			

- Salary recovery funds must be used within the year generated or the following fiscal year. Previous fiscal years of unused funds (up to FY 20-21) will be pulled back effective July 1, 2023. Salary recovery funds generated in FY2022-2023 will be pulled back effective July 1, 2025

# Important Facts to Remember

- Per policy, ASCR actions must be set up at the beginning of grant
  - Retroactive cost recovery actions are not allowable
- Any changes to the award end dates or % of time (allocation) will be communicated officially in a GNL from UC ANR Contracts and Grants Unit
- When sponsor's funding is approved, PI contacts ANR Contracts & Grants to request an Advance Account be established



# More Important Facts to Remember

- The salary and benefits total amount reflected in the Project's budget cannot be exceeded (no matter what the effort %)
  - Your Business Partner will assist in ensuring that the amount stays within the budgeted salary amount of your approved project
- Based on end dates on the GNL, Advisor's salary funding will return to the general funds
- Spend your 'oldest' salary savings first as designated by the subaccounts in the ledger



# UCCE Advisor / County Director Action Items

- Advisors are responsible for certifying their effort through the effort reporting system
  - Especially critical on Federally- or CDFA-funded projects
- If dates or percentage of time change while working on project, UC ANR contracts and Grants will update GNL and send update to Advisor and Budget Analyst with changes
- Monitor your project account ledgers (as with all expenses) to ensure PI's salary is correctly posted to the project / account
- Confirm that PI's ASCR account reflects the appropriate amount of salary savings has been transferred by BOC (Business Partner will assist)
- Call your Business Partner if you have questions!

# Still have questions?

Contact: [ocg@ucanr.edu](mailto:ocg@ucanr.edu)



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# Join Us for Next Webinar

**Foreign Engagement: Disclosures to ANR and Research Sponsors**

**September 28, 2022**

9:30 -10:30 a.m.

Information and guidance on how to comply with UC, ANR, and federal grant policies in areas related to foreign engagement. Presenter is Kathleen Nolan.

Zoom webinar:

<https://ucanr.zoom.us/j/751701428?pwd=Q1ZrbUtoQVJwMXJVRkQydUlwNytJQT0>

Password: 4Learning | +1 669 900 6833 | Webinar ID: 751 701 428

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