

Lake Superior State University
Salary Recovery Policy for the Center for Freshwater Research and Education
Issued June 30, 2022

Overview: The Salary Recovery Policy supports LSSU's CAFÉ Master Goals for Finance and the Center for Freshwater Research and Education's Strategic Plan to be a sustainable academic unit that promotes LSSU as a leader in high impact undergraduate education (Goal 1). The salary recovery policy will incentivize researchers to seek salary recovery and contribute to LSSU and CFRE's goals of financial sustainability.

Policy: The value of salary and fringe costs recovered from external grant and contract funding sources will be retained by the University cost center from which said salary and fringe costs originated.

Purpose: Recovered funds will provide financial support and promote the growth of the research center consistent with Lake Superior State University's and the Center for Freshwater Research and Education's strategic goals. Recovered funds will provide incentive to researchers, providing resources for additional professional development such as travel, education and publication.

Scope: This policy only applies to external grant and contract funds acquired in association with the Center for Freshwater Research and Education (CFRE).

Definitions:

Faculty means a position that is classified as faculty by payroll, and fall under the auspice of the faculty contract.

Grant is defined here as any externally sourced funding that supports research personnel costs and may be a grant, award, contract, subcontract, sub-award, or otherwise labeled funding.

Salary Recovery refers to salary and fringe costs from a regular position that is redistributed or charged to a grant instead of the original University cost center. Salary recovery is intended to apply to normal pay including compensated absences, i.e. vacation, sick and holiday pay as may be applicable to the researcher on a pro rata basis. In the event the researcher experiences a prolonged absence due to injury or other reason, there is no salary recovery for that individual. Replacement of university salary does not relieve the employee of duties associated with his/her position. Other policies or contracts govern an employee's workload and assignments.

Salary Replacement (Salary buy out) refers to the cost of a temporary position hired to carry out the regular duties of a faculty or staff person performing grant duties. Federal grants limit personnel compensation to the cost of the temporary replacement. In this situation, no salary recovery is allowed. (Example: Faculty is on sabbatical to develop curriculum under a grant. University department pays sabbatical salary, temporary faculty or adjunct is charged to the grant.)

Staff means an exempt position that may be up to 12 months.

Distribution of Recovered Salary: 100% of salary recovered from grants will remain in the research center or other University account number(s) from which the recovered salary and fringes originated in the form of expenditure credits to salary and fringes. Budget adjustments

moving salary and fringe budget to other expense categories may be done but their absence will not bar the originating department or research center from repurposing the funds made available by the removal of salary and fringe expenses through the process of salary recovery.

Allocation of Recovered Salary: Funds recovered by the Center for Freshwater Research and Education will remain in the CFRE's operating account to be used to promote financial sustainability and growth, except for recovered funds allocated to a Principal Investigator's grant professional development fund. Fifty percent (50%) of the funds recovered under a grant or contract will be transferred from CFRE to a grant's Principal Investigator's grant professional development account. Percent of recovered salary may be increased up to 70% returned to faculty/staff on a specific grant if approved by center director, Provost, and VP for finance.

Procedure: The Principal Investigator or other designated person that proposes to recover salary will submit the following information to CFRE's budget manager for approval:

- Individual for which salary will be recovered
- Time period of salary recovery
- % of time (effort) for the period
- Funds available
- FOPAL number / grant name

The budget manager and Provost will approve and then submit it to the Grant accountant. Grant accountant will calculate salary recovery and request redistribution from Payroll, copying Office of Sponsored Programs and requester. Payroll will verify the calculation and process. Business Office will load the transactions generated into the ledger.

The CFRE budget manager or other designated person will notify Grant accountant that a researcher has met the conditions to receive an allocation to the researcher's professional development fund and will indicate the expected amount. Business Office accountants will verify the amount of salary recovered, share to allocate and create entries to transfer funds to the researcher's professional development account. Accountants will make appropriate budget adjustments for professional development funds.

Timing: The recovery process will be completed as needed to comply with grant reporting periods and at the University's fiscal year-end. The professional development allocation process will be completed as requested within a fiscal year. Rollover of CFRE's general fund will occur annually to allow for salary recovery in the last quarter and support staff positions across years when grant funding is variable.

This policy will apply from July 1, 2022 to June 30, 2025 at which time it will be re-evaluated by senior management.



Dr. Lynn Gillette, Provost

8/23/22

Date