Personnel Budgeting: Who, What, How, and Where

Kate McCormick, CRA, Suffolk University Rene Hearns, MPA, CRA, U.S. Department of Veterans Affairs

Session Description

Personnel costs on a grant make project management complex, both during proposal development and post award grant management. Personnel budgeting during proposal development involves many nuances and there can be lots of moving pieces to consider. Budget execution has its own complexities. This session will discuss pre- and post-award methods, complexities, and management for various funders, with a focus on pre-award.

Learning Objectives

- Understand the many facets of personnel budget development
- Identify various personnel considerations when executing the award





Part one: "Who" and "What"

- Who are we looking to place on the proposal?
- Does it matter who?
- Does it matter what titles are used?
- Does the type of person affect anything?



Types of Personnel

- Employee
- Staff
- Agent
- Volunteer



Employee

- One employed by another usually for wages or salary to perform work for the employer*
- On institution's payroll
- Employer is responsible for workman's compensation & damages caused through work performed

*Merriam-Webster.com & legal-dictionary.thefreedictionary.com

| - | | |
|---|------|--|
| - | | |
| - | | |
| _ | | |
| | | |
| - | | |
| - | | |
| - | | |
| | | |
| | | |
| | | |
| _ | | |
| | | |
| - | | |
| - | | |
| - | | |
| | | |
| - | | |
| - | | |
| - | | |
| | | |
| | | |
| | | |
| - | | |
| _ | | |
| | | |
| - | | |
| - | | |
| _ | | |
| | | |



Staff

- a: the officers chiefly responsible for the internal operations of an institution or business
- b: a group of officers appointed to assist a civil executive or commanding officer
- c: military or naval officers not eligible for operational command
- d: the personnel who assist a director in carrying out an assigned task
- e: (plural) staff: a member of a staff

*Merriam-Webster.com



Agent

One who agrees and is authorized to act on behalf of another, a principal, to legally bind an individual in particular business transactions with third parties pursuant to an agency relationship.

West's Encyclopedia of American Law, edition 2 (2008)



Volunteer

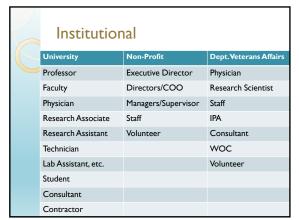
- I. A person who voluntarily undertakes or expresses a willingness to undertake a service: such as*
 - a. one who enters into military service voluntarily
 - b. one who renders a service or takes part in a transaction while having no legal concern or interest
- Amateur, enlisted man, enlisted person, enlistee, freewill worker, gratuitous worker, nonprofessional, recruit, taker, unpaid worker, voluntary worker

I. Merriam-Webster.com 2. Burton's Legal Thesaurus



Titles

- Institutional
- · Research Administration
- Sponsor



Research Administration

- Principal Investigator
- Co-Principal Investigator
- Co-Investigator
- Investigator
- Program Director
- Collaborator
- Research Fellow/Post Doc Other Significant
- Research Student
- Research Associate/Assistant
- Coordinator (Study/Nurse Research/Administrative)
- Consultant
- Service Provider
- Key Personnel
- Non-Key Personnel
- Contributors



Part one: Summary

- The type of person matters on how (if) s/he is to be paid.
- Some sponsors have various restrictions on how personnel is handled (Part two)
- The person's title matters in different situations.
- The type of person determines where s/he will be placed in the proposal.



Part two: "How" and "Where"

- How is personnel effort calculated?
- Do we need to request benefits for each person?
- How are benefits calculated?
- Where are they placed within a budget?



Sponsor

- Federal
- State
- Local
- Foundations
- Corporations

Personnel Budgeting

- Personnel
- Categories
- Wages vs. Stipends
- Effort
- Fringe Benefits



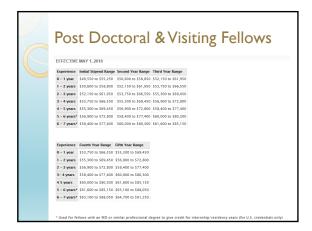
Categories

- Key Personnel
- Other Significant Contributors
- Non-Key Personnel
- \circ Staff
- Post-Doctoral employees
- Students
- Others



Wages v. Stipends

- Exempt vs. Non-Exempt
- Academic vs. Annual
- U.S. Federal Salary Cap
- NIH Stipend levels



Effort

- Percentage
- Calendar month
- Summer
- Academic year
- Full-time
- Part-Time
- Student

- Paid vs. Unpaid
- Overlap of Effort
- Sponsor Paid vs. Cost Sharing

Fringe Benefits

- Pooled vs. Actual
- Multiple rates
- Change in rates during project

| | | | |
|---|------|--|--|
| | | | |
| , | | | |
| | | | |



Part two: Summary

- Calculating a person's salary is determined by the type of employee and the amount of time on a project.
- Fringe Benefits must be included unless prohibited by the sponsor.
- Benefits calculation is determined by the institution.
- A person is placed in the budget according by type.



What you need to know...

- Who will be on the project?
- How much time will they work on this?
- Are they the institution's employee?
- If not, how do you treat them in the budget?
- How much is each person paid?
- What is the fringe rate per person?



Post-Award Implications

- If the project is funded with incorrect:
 - · Assigned personnel
 - Salaries
 - Fringe Rate(s)
 - Effort

The results can be...

| | | | |
|------|---|---|--|
| | _ | _ | |
| | | | |



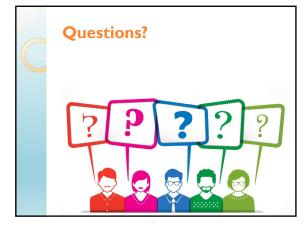
Post-Award ramifications

- Required re-budgeting
- May need to inform the sponsor
- Insufficient funds for project success
- Inability to hire staff
- Inability to complete the project
- Institution and/or PI reputation affected



Summary

- Proposal development <u>affects</u> grant administration.
- Misclassified personnel will affect the amount of funding available.
- Could create audit issues.
- Sponsor could decide to cancel the project.



| - | | |
|---|--|--|
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |
| | | |



References

- West's Encyclopedia of American Law, edition 2 (2008)
- Merriam-Webster.com
- Burton's Legal Thesaurus
- legal-dictionary.thefreedictionary.com
- https://www.training.nih.gov/postdoctoral _irta_stipend_ranges

Presenters' Information

- Kate McCormick
 - Senior Grant Administrator
 - Suffolk University
 - · kate.mccormack@gmail.com
- Rene Hearns
 - Asst. Dir 'IIRECC'/Study Coordinator/Budget Analyst
 - Louis Stokes Cleveland VA Medical Center
- · rene.hearns@va.gov