

Cornell University  
**Faculty Summer Salary Process**  
(Including management of NIH salary cap)

### **Introduction and Summary**

Cornell University allows professorial faculty on nine month appointments to receive additional compensation for work performed during the summer term. This procedure was developed to ensure compliance with university and external regulations regarding such compensation, promote consistent treatment across the university, and facilitate administrative processing. This procedure does not apply to appointments made by the School of Continuing Education and Summer Sessions; questions regarding SCESS should be directed to that office.

Key issues to remember include:

- The summer term is defined as May 16<sup>th</sup> through August 15<sup>th</sup>.
- There are six pays during summer term (May 31, June 15 and 30, July 15 and 31, August 15).
- Summer payroll should be issued for the pay period worked, and not averaged over the full summer.
- Summer compensation is paid at the rate of 1/9<sup>th</sup> of the ensuing year's institutional base salary (IBS) per summer month.<sup>1</sup> IBS excludes administrative supplements or allowances.
- No more than 3 months of pay is allowed and individuals working more than 2.5 months must complete an attestation which is approved by their Dean and filed with the Office of the Senior Vice Provost for Research.
- Salary represents work done during the period of pay. Faculty may not take vacation during periods for which they are compensated.
- Some sponsors may limit the amount or rate of pay during the summer or academic year.
- This summer salary process should not be used for anyone other than nine-month Cornell professorial faculty.

### **Summer Salary**

Faculty members on nine-month appointments have the opportunity to draw up to three months of salary during the summer term (May 16<sup>th</sup> – August 15<sup>th</sup>). Summer Salary is in addition to a faculty member's Institutional Base Salary (IBS, or annual nine-month compensation). IBS does not include administrative supplements or allowances. Drawing summer salary does not change a nine-month appointment to a twelve-month appointment.

- Summer Salary from any source is in return for effort during the summer term directly related to the purpose of the funds. Payment from sponsored funds must be directly related to effort on the project; payment from restricted gift sources must be for effort related to the purpose of the gift; and payment from faculty activity accounts, or other unrestricted sources, should be for effort related to the College missions of teaching, research, extension, or other scholarly pursuits. This purpose must be listed on the

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<sup>1</sup> Colleges that have a consistent practice of using prior year or average or prior and ensuing year salaries may continue to do so, although they are encouraged to move towards using the ensuing year's rate.

#### Summer Salary Processing Form.

- The date ranges on the Summer Salary Processing Form must be the dates in which the work is performed. Summer salary is paid only in those periods. It may not be spread across all six summer term pay periods unless one is working all three months.
- Faculty who wish to request more than 2.5 months of summer salary must sign the "[Cornell University Summer Salary Request and Attestation](#)" form (tab 2 of the Summer Salary Processing Form).
- Faculty receiving a full three months of summer salary must certify that their effort will be full time throughout the entire period. No vacation is allowed.
- Colleges may require that faculty using unrestricted discretionary sources to fund summer salary may need to retain a minimum balance of unrestricted funding for future professional development, travel, or other similar purposes. Contact your college HR representative for additional information.
- No summer salary is to be paid on Federal Appropriations (Smith/Lever, Hatch, etc.), College allocations, or State Appropriations without prior approval from the Dean and the unit business officer.
- Summer salary is based on the individual's salary for the ensuing Cornell academic year. Colleges that have a consistent practice of using prior year or average or prior and ensuing year salaries may continue to do so, although they are encouraged to move towards using the ensuing year's rate.

#### **Sponsored Activity**

- The charging of summer salary to sponsored funds must be in direct proportion to the effort spent on the project during the same period.
- Salary funded by the National Science Foundation (NSF) for faculty on a nine-month appointment is limited to two-ninths of their regular academic year salary. This limit is for combined summer and academic year salary received from all NSF-funded agreements.
- Nine-month faculty hired to teach *full-time* during Cornell Summer Session are ineligible to receive additional salary.

#### **NIH**

Congress limits the direct salary an individual may receive under an NIH grant to the Executive Level II of the Federal Executive Pay scale. Funding from NIH awards cannot be used to pay salary that exceeds the legislative salary cap. The amount of salary that is unallowable under this provision must be separately identified in the general ledger via a cost sharing sub-account.

The current NIH maximum 12-month annual rate of pay is \$183,300 (or \$15,275 per month) for the period January 12, 2015 through September 30, 2015. Nine month rates are calculated as 9/12ths of the 12 month cap (\$137,475 for FY15). For NIH purposes, as with all summer salary, administrative supplements or allowances or not included. Refer to the following web site for historical NIH salary caps: [http://grants.nih.gov/grants/policy/salcap\\_summary.htm](http://grants.nih.gov/grants/policy/salcap_summary.htm)

Institutional funds must provide support towards effort charged to an NIH funded projects that are over the maximum rate allowable by NIH:

- Summer salary for core-funded faculty on 9 month appointments: The over-the-cap salary

related to summer salary must be accounted for in a separate cost sharing sub-account with funding provided from the unit's or the faculty member's unrestricted sources according to unit or college policy. A separate cost-share sub account must be set up for each NIH award from which salary is drawn. See [university policy 3.11](#) for further details.

**Benefit Charges**

Summer salary payments are assessed employee benefit costs as follows:

Endowed colleges: 37% (“Full”) rate on all sources. (Rate will be 34.9% as of 7/1/2015)

Contract colleges: Federal rate (currently 55.90%, 56.10% as of 7/1/2015) on all federal funded sources, non-federal rate (currently 60.95%, 59.84% as of 7/1/2015) on most all other grants and restricted gifts. Discretionary or college funds are not assessed a benefit charge. For current benefit rates see <http://www.dfa.cornell.edu/accounting/topics/costanalysis/employeebenefitrates.cfm>

Effective summer 2015 there will be a pilot program for contract college nine-month professorial faculty wishing to utilize an endowed appointment for their summer activity. These appointments will bear the endowed rate above on all fund sources.

These individuals must have a separate professorial appointment in the endowed “Company” associated with their Contract College department, and an endowed KFS account(s) (and cost sharing sub-accounts, if applicable) must be used.

**Request Process**

See form below for the process to request summer compensation. All requests must be approved by the department chair. Please note that compensation must be requested before the work period, and no summer salary requests may be made after August 15.

**HR Processing in Workday**

Please review the required steps needed to grant summer salary, depending on the situation:

| If...   | Then...   | Note  |
|---|---|---|
| The summer salary is to be granted on the primary appointment (either Endowed or Contract),   | Use the <a href="#">Request Compensation Change</a> event, add a Summer Salary Plan (not an allowance plan). <b>An expected end date is required.</b> | The pay frequency should be semi-monthly. Please use the <a href="#">Salary Converter Tool</a> , as needed, to determine the amount.  |
| You wish to utilize an endowed appointment with the endowed fringe rate (applies to contract college professorial appointments only), | Use the <a href="#">Add an Additional Job</a> event. The company and funding must be Endowed, otherwise the appointment should mirror the primary.    | In order for CURP to be set-up for these situations, please contact Connie Cook (cac6) immediately after the event has been approved.<br><br>MJBE does not apply to these situations, nor is an AIS event needed. |

In addition, please consider the upcoming SIP load when entering summer salary:

| Eff. Date of..      | Completed...       | The Results will be...  |
|---------------------|--------------------|---|
| before 7/1/15       | before 6/17        | SIP will load.  |
| before 7/1/15       | after 6/17         | SIP will load.  |
| on 7/1/15           | before 6/17        | SIP will load.  |
| on 7/1/15           | after 6/17         | Any compensation value entered during the event will override SIP.    |
| <b>after 7/1/15</b> | <b>before 6/17</b> | <b>SIP row will be sent back to Unit for review and manual entry.</b> |
| after 7/1/15        | after 6/17         | Any compensation value entered during the event will override SIP.    |

**Instructions for the Summer Salary Processing Form**

Unit managers are required to submit a “Summer Salary Processing Form” for each faculty member requesting summer salary, providing the information in the white fields. The gray fields are calculated and the red text is reference information. The form must be completed electronically and printed for signatures and submission.

**Section 1**

Complete:

- Name
- Employee ID
- Number of months requested (Total number of months for summer salary)
- Total Annual Salary PostSIP (base pay after 7/1/15 increase – does not include supplements or allowances)

|  |              |                              |             |
|--|--------------|------------------------------|-------------|
| <b>Name</b>  | Donald Duck  |                              |             |
| <b>Employee ID</b>   | 1111111      |                              |             |
| <b>Number of months requested</b>  | 2            | <b>Check of Total months</b> | 2.00        |
| <b>Total Annual Salary post-SIP</b><br><small>*DO NOT INCLUDE ALLOWANCES</small> | \$150,000.00 |                              |             |
| <b>Monthly Salary</b>  | \$16,666.67  |                              |             |
| <b>Summer Salary to be Received</b>  | \$33,333.33  | <b>Check of Total Salary</b> | \$33,333.33 |

Calculated:

- Monthly Salary (= annual salary/9)
- Summer salary to be Received (= number of months \* monthly salary)
- Check of Total months (Field will be in red until date range section information is complete and equal to the Number of months requested.)
- Check of Total Salary (Field will be in red until the date range section information is complete and equal to the total Summer Salary to be Received.)

**Section 2**

Whenever NIH funds are used, the “NIH Salary Cap” section in the upper right corner needs to be

completed. This is NIH salary Cap amount as of January 12, 2015. For previous years NIH Salary Cap amounts visit: [http://grants2.nih.gov/grants/policy/salcap\\_summary.htm](http://grants2.nih.gov/grants/policy/salcap_summary.htm)

Complete:

- NIH proposed Summer Salary Months

|  |                   |
|--|-------------------|
| <b>NIH Salary Cap (As of January 11, 2015)</b>         | \$183,300         |
| NIH Cap (faculty on 9 month contract)                  | \$137,475         |
| NIH Cap for one month (9 month contract)               | \$15,275          |
| <b>Your NIH over cap Calculation</b>                   |                   |
| NIH proposed Summer Salary Months                      | 2                 |
| NIH amount of proposed Summer Salary                   | \$33,333.33       |
| <b>Amount over cap (to be paid from non NIH funds)</b> | <b>\$2,783.33</b> |

Calculated:

- NIH Cap 12 months (NIH provided)
- NIH Cap 9 months (= 9 months of NIH Salary Cap)
- NIH Cap 1 month (= one month of NIH cap salary)
- NIH amount of proposed Summer Salary (= NIH proposed Summer Salary Months \* Monthly Salary)
- Amount over cap (= NIH Cap for 1 month – NIH amount of proposed Summer Salary)

### Section 3

Complete:

- Date Range (must reflect actual dates worked) **Decision to complete multiple date ranges is based upon costing allocation changes and/or non-contiguous dates for summer salary.**
- Number of months (Number of months for this pay period, months cannot exceed date range.)
- Costing Allocation % (Costing Allocation total must equal 100% for the date range.)
- Account #
- Account Name
- Purpose of Work (Must be completed for each account specified.)
- Funding Source (Select from drop-down list)
- NIH funding only section (complete only if NIH funding source used)
  - If NIH is selected and the NIH calculation is over the cap amount, the over the cap box will be automatically checked.
  - The next account provided should be the existing cost share subaccount.

If electing not to receive the over the NIH cap amount, check the box provided, “Elect not to receive over cap amount” in the line that contains the NIH account. If the “Elect not to receive over cap amount” is checked, the next line will automatically populate with the amount over the cap from the NIH calculator. This prompts HR to complete the required letter.

| Date Range 1 | Date Range 1       |                     | 5/16/2015 - 7/15/2015 |  | Funding Source  | Complete section only for NIH Funding |   |  |
|--------------|--------------------|---------------------|-----------------------|--|---|---------------------------------------|---|--|
|              | Costing Allocation | Number of months    | 2.0000                | Salary for Date Range                    |   |                                       | \$33,333.33   |  |
|              | Amount             | Account #           | Account Name          | Purpose of work (COMPLETE FOR EACH LINE) |   |                                       |   |  |
| Date Range 1 | 91.65%             | \$30,550.00         | NIH1234               | NIH Disney                               | Perform research for the NIH Disney Study   | NIH                                   | <input checked="" type="checkbox"/> over cap                  |  |
|              |                    |                     |                       |  |   |                                       | <input type="checkbox"/> Elect not to receive over cap amount |  |
|              | 8.35%              | \$2,783.33          | NIH1234-CS1234        | Disney Cost Share                        | Perform research for the NIH Disney Study<br>Salary above NIH cap to be cost shared | Cost Share                            | <input type="checkbox"/> over cap                             |  |
|              |                    |                     |                       |  |   |                                       | <input type="checkbox"/> Elect not to receive over cap amount |  |
|              | \$0.00             |                     |                       |  |   | Select Funding                        | <input type="checkbox"/> over cap                             |  |
|              |                    |                     |                       |  |   |                                       | <input type="checkbox"/> Elect not to receive over cap amount |  |
|              | \$0.00             |                     |                       |  |   | Select Funding                        | <input type="checkbox"/> over cap                             |  |
|              |                    |                     |                       |  |   |                                       | <input type="checkbox"/> Elect not to receive over cap amount |  |
| 100.00%      | \$33,333.33        | Date Range 1 Totals |                       |  |   |                                       |   |  |

Calculated:

- Salary for Date Range (= Monthly Salary \* Number of months entered for Date Range)

Repeat steps in Section 3 for all Date Ranges caused by costing allocation changes during Summer Salary period.

#### Section 4

- Faculty must sign the form certifying that the amount of compensation is in direct proportion to their effort, dates worked and are appropriately related to the funding source.
- Each form must also be signed by the Department Chair. Some colleges may also have a procedure to obtain the dean's signature.
- Check a box in the bottom right corner to indicate if this is an ORIGINAL (first) submission; REVISED submission (changing something about a previous submission with the same date range); or ADDITIONAL submission (asking for additional summer salary when an initial request exists).
- Print and sign an Attestation Form (located on second tab of document) if asking for more than 2.5 months of Summer Salary.

**Certification:** By signing this I am certifying that the amount of compensation I am requesting is in direct proportion to the effort I am dedicating and is appropriately related to the funding source. If I receive a full three months of summer salary I certify that my effort will be "full time" throughout the entire period and I will take no vacation. If I request more than 2.5 months summer salary, I will complete and sign the attached Attestation form.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Department Chair  
Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Please your College Finance or HR office in accordance with their deadline.

Original  
 Revised  
 Additional