

Project Budgeting and Salary Recovery Principles

Purpose

To provide guidelines for staff on the inclusion of salary recovery for staff positions when undertaking external grants and contracts.

Scope

These guidelines are for internal use by Faculty, School and Research Centre staff involved in the management of externally funded projects.

Background

CSU undertakes research and non-research projects funded from a variety of sources including, external grants and contracts, partnerships, CSU in-kind and CSU cash contributions.

The total cost of salary and non-salary resources required to undertake a project need to be recognised during project budget development, with reimbursement sought where costs are incurred by a particular Budget Centre, such as, salary cost of on-going staff employed by a particular School.

The difference between an external 'Grant' and external 'Consultancy/ Fee-for-Service contract', outlined in the definitions section, is crucial to understanding the principles of this document.

Definitions

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| Account | Banner Fund – Org – Program combination. |
| BAF | Research project 'Budget Approval Form'. |
| Budget Centre | Organisational unit including a School, Office, Unit, Institute or Centre to which a budgetary allocation is determined. |
| Budget Centre Manager | Financial delegate of a Budget Centre. |
| Consultancy/ Fee-for-Service Contract | Revenue received for the provision of a particular research or non-research service, where the funding provider has stipulated the services required and criteria to be fulfilled. Such as, projects resulting from responses to tender. Can be identified by references to a 'contractor' or 'service provider' or contract terms such as 'fees will be paid on satisfactory receipt of the services outlined'. |
| Cost Recovery | Reimbursement of expenses incurred by a budget centre. |
| Direct Project Costs | Total identifiable salary and non-salary expenditure required to complete the project. |
| External | Originating from outside CSU. |
| Grant | Sponsored research, funding 'granted' for a particular project purpose developed by the research team. These agreements can be identified by clauses such as 'funds are to be used only for project activities as per the agreed budget'. |

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| In-kind | Contributions of time or equipment from pre-existing University resources. For example, salaries of CSU academics where not supported by the external grant. |
| Internal | From any area within CSU. |
| Mark-Up | Percentage margin charged on top of total direct project costs. |
| OPA | Outside Professional Activity. |
| R Fund | Finance Fund Code used to identify external research grants and consultancies/contracts. |
| Surplus | Residual funds above the project direct costs and University overheads. |

Guidelines on salary cost recovery

Salary cost for staff hours worked on external projects is to be outlined in the project budget when:

- i. Permanent/ continuing staff hours will be required for management or completion of the project work (including when within research workload allocation),
- ii. Hours required for casual or contract staff, such as a Research Assistants.

Casual and contract salaries;

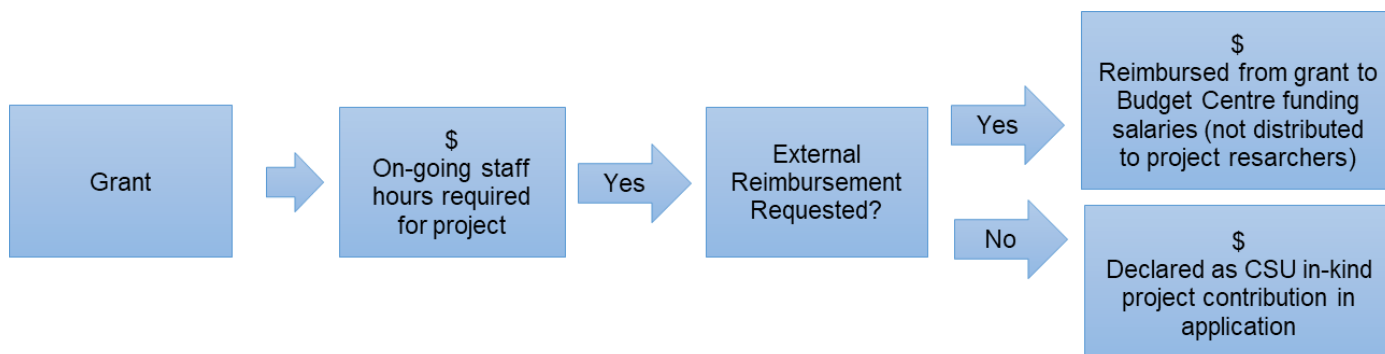
Should be charged directly to the applicable project account (e.g. R Fund) within the University finance system. Where this has not occurred a correction, either by payroll or journal transfer, is made to transfer the salaries from the account they were paid into the R Fund.

Research Grants

All permanent/ continuing staff hours required for project management and/or activities should be identified in the project budget and costed at the staff members hourly rate, including oncosts.

If during budget development the Budget Centre Manager agrees to not charge the continuing staff time to the external grant, waiving the requirement for salary recovery, (or it is excluded under the funding body guidelines) the salary cost is instead noted as a CSU in-kind contribution to the project. This is agreed with the Budget Centre Manager during budget development.

Where staff time is charged to the external grant the applicable salary recovery amount is credited to the account of the Budget Centre paying the staff salary. No portion of the budgeted salary recovery can be diverted to an alternate account/program code for use on other expenditure or future research/ professional development activities, either during or upon completion of the grant. Even if the Budget Centre Manager later agrees to forego reimbursement. This would constitute a breach of grant funding guidelines.

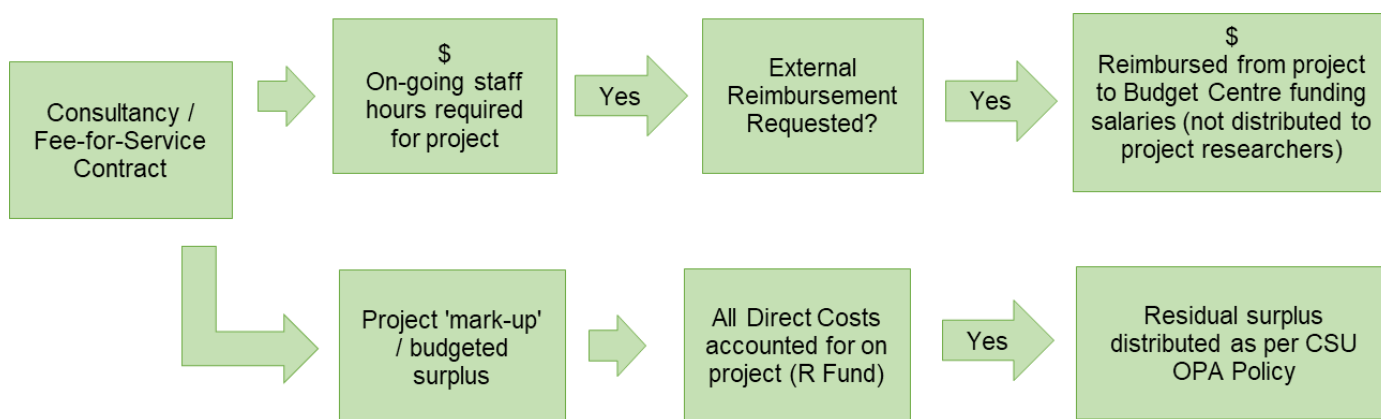


Research and non-research Consultancy/ Fee-for-Service projects

Salary reimbursement for continuing staff time must always be sought on external research and non-research consultancy or fee-for-service contracts (i.e. commercial research/activities, not a grant). Even when within research workload allocation. This is to ensure CSU is in compliance with competitive pricing legislation covering all Universities and Government Departments (see Competitive Neutrality Legislation).

Where staff undertake a consultancy or fee-for-service contract a 'mark-up' can be added above the direct project costs and University overheads to create an end surplus/profit. Upon project completion, the remaining surplus in the project account will be distributed as per the CSU OPA policy.

Further information regarding project mark-up and surplus distributions can be found in the below procedures and within the Research BAF instructions.



Procedure

- The budget provided by the Researcher should clearly identify the total workload hours the project will require from continuing staff and casual/ fixed-term appointments.
- The budget should identify the dollar value of these hours at the applicable academic hourly rate including oncosts.
- The dollar value of the salary reimbursement is never to be inflated for the purposes of creating a surplus at the end of the project.
- Salary reimbursement provided from the project is put towards the cost of relieving the continuing academic for the above mentioned workload hours as required.
- For consultancy and fee-for-service contracts there is a budget section in the Research BAF and the OPA costing template to include a project 'mark-up'. This is to allow Researchers and Budget Centres to build in the end of project surplus, identifiable separately to the cost of the staff time required on the project.

Note, project 'mark-up' can only be applied to consultancy, contract or fee-for-service works performed. Grant funds are to be used only for the purpose granted. They cannot be diverted to alternated accounts for later use.

- Staff are encouraged to use the Research BAF or OPA budget tool when developing the initial project budget for application to grant funding bodies and external agencies.

Responsibilities

Head of School and/or project Budget Centre Manager

- Workload requirements should be clearly established between the Head of School and project staff during project application and budget formulation process;
- Check staff hours are correctly accounted for in application and Budget Approval Form (BAF).

- Ensure staff understand that salary recovery remains in the Budget Centre account salaries are paid from for the purpose of reimbursement of the continuing staff members salary cost. Regardless of the cost of any sessional staff engaged to buy-out teaching or other activities.

Research Office

- Process transfer of salary recovery amount from project funds to Budget Centre, in line with the approved BAF.
- On completion of a research grant, complete the final financial acquittal to the funding body and return unspent grant funding, as per contractual obligations.
- On completion of a research consultancy/ fee-for-service contract, distribute any surplus balance as per the OPA Policy, after all direct project expenses and University overheads have been accounted for.
 - 50% to the project lead.
Funds are transferred to a nominated program code within the CSU finance system for further research or professional development purposes (see Fund Code Usage Fact Sheets – A5401).
 - 25% to the administering Faculty/School, Division or Centre;
 - 25% to University accounts nominated by the Vice-Chancellor.

Related Documents

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| A109 – Special Purpose/Staff Development Funds | https://finance.csu.edu.au/guides-manuals/Fund-Code-Usage-Fact-Sheet-updated-Aug2017.pdf |
| A5401 – Faculty Research Support Funds | https://finance.csu.edu.au/guides-manuals/Fund-A5401-Faculty-Research-Support-Funds-fact-sheet.pdf |
| Budget Approval Form (BAF) | Research Office - Budget Development and Resources |
| Competitive Neutrality Legislation (CNL) | https://treasury.gov.au/publication/commonwealth-competitive-neutrality-policy-statement/ |
| Outside Professional Activities (OPA) Policy | https://policy.csu.edu.au/view.current.php?id=00248 |