



McCausland College of Arts and Sciences

UNIVERSITY OF SOUTH CAROLINA

POLICY: Faculty Salary Savings

DATE: August 16, 2025 (Revised)

I. POLICY

Salary savings are generated when a full-time FTE faculty member charges a portion of his/her budgeted academic year or fiscal year salary to funds they have received from an external sponsor.

Research grant funding can be used to cover academic year salary in order to enable a faculty member to spend time and effort on the grant's research. The payments must be compliant with the sponsoring agency's policy. For example, the NSF has a general limit on charging a maximum of two months' salary per year and the NIH has a salary cap that limits how much salary can be charged to a grant on a monthly and annual basis. Per Uniform Guidance, "unless there is prior approval by the Federal awarding agency, charges of a faculty member's salary to a Federal award must not exceed the proportionate share of the institutional base salary for the period during which the faculty member worked on the award" (2 CFR 200.430).

Intergovernmental personnel funding mechanisms such as NSF IPA Assignments are not grants and are excluded from this policy.

A. Salary Savings Accounting

The accounting for the salary will be handled as follows when a research grant is charged for a faculty member's time:

1. **Course Buyout:** Academic year salary can be charged to a grant to cover an approved course buyout to enable the faculty member to devote more time to this research grant, provided the salary charge is compliant with the sponsoring agency's policy. The grant must have sufficient funds to cover the combined cost of salary, fringe and health benefits. The cost of course buyouts is detailed in the College's [Faculty Course Buyout Policy](#).
2. **Research Supplement:** If a faculty member charges a portion of their academic year base salary and associated fringe benefits costs to a research grant resulting in salary savings to the College not for the purpose of a course buyout, **the College will share 50% of the salary savings stemming from 9 month base salary and associated fringe benefits with the faculty member.**

Professional-track research faculty are expected to budget salary in proportion to their time and effort in all grant applications even if on a 12-month appointment. The College will negotiate with the Institute or Center Director for how those funds are shared between the College and the Institute or Center.

3. For programmatic/center grants where the College is providing ‘in kind’ funds that incorporate academic year salary contributions from that grant, distribution of salary savings to the faculty member will be limited to funds remaining after the ‘in kind’ contribution is transferred to the center. Contact the College Grants Office for assistance with these calculations.

As required by State law, the research grant must cover associated fringe and health benefits in proportion to the time (salary).

B. Time/Effort Certification

The department chair and the faculty member/principal investigator (PI) must certify that sufficient effort is assigned to the grant(s) to justify the academic salary being charged to the grant. It is the responsibility of the faculty member to ensure that sufficient effort is devoted to the research grant to justify the time charged to the research grant.

C. Required Approval

Salary savings transfers will be coordinated between the unit business manager and the college budget team and approved by the unit head after time and effort reports are certified for the salary charged to a grant. Requests for a salary savings transfer for spring semester should be submitted by November 15; requests for fall transfers should be submitted by June 15. For new grants, please consult with your Chair or Director and the Grants Operations Team. The unit business manager should use the College Dean’s Office Salary Savings “calculator” to determine the amount of the transfer request by faculty member.

D. Distribution and Use of Funds

The funds received by the faculty member or institute will be deposited into an ‘N’ account in their Department/School. Funds in N accounts can be carried forward from one year to the next. Use of N account funds is subject to university and state regulations but is not restricted to the fiscal year (FY) in which it was received. The department or school will be responsible for ensuring that funds are not overspent – overspending will be the responsibility of the department or school to resolve.

Faculty may choose to supplement their salaries during the academic year with funds from an ‘N’ account subject to certain limitations. No more frequently than two times per year may a faculty member request a salary adjustment in accordance with university policy HR 1.79 (Salary Adjustments Outside of Base Pay). Supplement requests must be no less than 5% and no more than 10% of a faculty member’s base salary, taking into account that fringe benefits will also be charged at the prevailing university rate. A unit business manager should contact the College Grants team or College Budget team for assistance with these calculations if needed.