

## CALCULATING SALARIES FOR GRANTS & CONTRACTS

Step 1. Determine primary source of funds (e.g., subcontract from Duke University off an NIH grant is FEDERAL).

Step 2. Access PeopleSoft HRMS Employee Funding History panel.

### FEDERAL

Step 3. **Institutional base salary (IBS)** includes REGular (core salary plus discipline specific compensation) and LONGevity.

Note: Supplements and cell phone allowances are not included in base salary calculations.

Step 4. Determine % effort and multiply times IBS. This becomes the amount of salary to be charged to the grant/contract.

Step 5. Multiply the salary calculated in Step 4. by the fringe benefit rate to calculate the fringe benefits.

Step 6. Add the salary and the fringe benefits to calculate the funds requested.

### **National Institutes of Health (NIH) and Agency for Healthcare Research and Quality (AHRQ) --**

Salary Cap: Determine if IBS is greater than current NIH salary cap. If so, provide actual base salary but use the cap to calculate the requested salary.

Inflation: 3%

### **Department of Defense (DOD) (includes Army, Navy, Air Force) --**

For Department of Defense applications ONLY, attach copies of HRMS Employee Funding History to R&A form for ALL personnel. If salary changes are planned, include a memo from the Chair or DMO to support the salary.

Inflation: 4%

### NON-FEDERAL

Step 3. **Institutional base salary (IBS)** includes REGular and LONGevity plus AUGmentation (unless sponsor guidelines exclude clinical compensation).

Inflation: Typically 3 - 5% unless salary changes are planned that could be supported if required.