Policy 221

1 Introduction

1.1 Appalachian State University supports faculty and staff who receive nationally or internationally competitive fellowship funding in all academic disciplines. Fellowship recipients will dedicate themselves to full-time research, scholarship, or creative activity for an extended period of time. Fellowships can be residential or portable, and may vary in length from one month to one year or more.

2 Scope

2.1 This policy applies to all externally funded fellowships and fellowship programs supporting faculty and staff at Appalachian State University.

3 Definitions

3.1 Definition phrase or word

   Definition summary

3.2 Base Salary (Base Pay)

   Reflects the contracted salary for an individual for the University’s fiscal year (July 1 through June 30) excluding any lump sum compensation or increases for additional duties. The Base Salary itself does not include fringe benefits, which must be added in appropriate proportion to the Fellow’s salary.

3.3 Buyout

   is the purchase of any portion of any employee’s University paid effort for reallocation to an extramurally funded project or Fellowship. These calculations include both base salary and fringe benefits.

3.4 Facilities & Administrative (F&A) or Indirect Cost

   Also referred to as indirect costs, overhead, overhead costs, or administrative costs. Defined as reimbursement for actual institutional expenses that support extramural activities but cannot be directly charged to a specific grant or contract, F&A is the cost of shared services such as libraries, plant operations and maintenance, utility costs, general, department and sponsored projects administrative expenses, and depreciation or use allowances for buildings and equipment. Information on current F&A rates are available on the Office of Research website.

3.5 Fellowships

   Funds awarded to an individual or to the institution to support dedicated research, scholarship or creative endeavors. Most programs provide only a stipend, and are usually a salary replacement or supplement program. Award amounts generally are not comparable to an individual’s full, Base Salary. Upon occasion, a program may pay a living stipend and/or some research project cost and/or travel expenses.

3.6 Fiscal Year

   The University’s fiscal calendar year runs from July 1 until June 30.

3.7 Fringe Benefits

   Additional non-wage payments made by the University on behalf of an individual (social security, health insurance, etc.). Part of an individual’s overall salary package, benefits are included in personnel charges for project and fellowship budgets as a percent calculation directly allocable to the direct costs for salary.
3.8 Matching

The portion of project costs not borne by the external sponsor.

3.9 Off-Campus Scholarly Assignments (OCSA)

Off-campus scholarly assignments are a means by which Appalachian State University facilitates continued professional growth of its faculty. Such assignments provide institutional encouragement and support to the faculty in developing, maintaining and broadening academic and instructional competencies that are valued by the University. Information regarding these assignments may be obtained by a faculty member from the dean of the college/school in which the faculty member is located. (The ASU Faculty Handbook Guidelines for Off-Campus Scholarly Assignments 6.2.2.1 Purpose)

4 Policy and Procedure Statements

4.1 Application Procedures

4.1.1 Faculty Members are responsible for communicating clearly and consistently with the departmental chairperson and academic dean prior to and during both the fellowship application and award process.

4.1.2 Fellowship applications may be submitted by a faculty member after they have first been submitted for processing through the Office of Research’s AGrants system, just like all other requests for external funding. Although some fellowship sponsors may not require that a faculty member apply through Appalachian State University, it is important to do so for the following reasons:

1. Departmental chairpersons, deans and other supervisors may need to adjust academic plans, teaching schedules, or other staffing concerns;
2. Negotiation between the sponsor and the institution may be required;
3. The applicant’s Base Salary and Fringe Benefits are often only partially covered by the fellowship award; in such an instance, the internal routing process may document any request and University commitment to:
   1. Provide matching support through an OCSA;
   2. Maintain the fellow’s regular University Base Salary and Fringe Benefits from sources other than an OCSA;
   3. Address payments for retirement funds and family insurance contributions, etc. in the event a fellow is paid directly by the sponsor; or
   4. Document requests and commitments for additional items, such as summer pay, an agreement to cover exchange rate discrepancies for fluctuations between the submission dates and actual award/expenditure dates, etc.

4.1.3 If a fellowship is obtained outside of the University’s procedures and the AGrants system, while the University is not a party and thus not obligated to support it, it will make every practical effort to support the fellowship and the research it is designed to enhance. In such an instance, the fellowship must be routed after-the-fact in the AGrants system before the fellow will be released from assignment with the University.

4.1.4 Faculty members should familiarize themselves with the Faculty Handbook entry on Off-Campus Scholarly Assignments (OCSAs) and consult with their departmental chairpersons when combining a fellowship award with an existing or concurrent OCSA.

4.1.5 Faculty or staff members who seek to postpone a fellowship for any reason must consult with the department chairperson and academic dean and update the AGrants file accordingly.

4.1.6 Changes in dates and financial commitments must be documented in the AGrants file. If needed, Sponsored Programs staff are available to assist with this step.

4.2 Financial Considerations and Commitments

4.2.1 Requests for institutional commitments must be clearly identified during internal routing in the AGrants system prior to submission of the application.

4.2.1.1 The administrator, department chair, and/or academic dean responsible for the institutional budgets that provide additional support to the fellow will identify his/her committed support through the addition of correspondence or proposal notes in the AGrants file. Arrangements for reassignment of institutional duties (teaching, etc.) will be handled by the fellow’s direct supervisor and are not the responsibility of the fellow. This commitment will also be documented in writing in the AGrants file.
4.2.1.2 If the University has not agreed to provide additional institutional support during the fellowship tenure (see 4.2.1), the fellow must make arrangements with the Office of Human Resources regarding benefits coverage continuation.

4.2.2 Receiving award payments

1. When the sponsor sends fellowship checks directly to the Fellow, the Fellow will reimburse the University in accordance with the internal Appalachian Fellowship Budget Template and other supporting documents used to determine financial need (both internal and external) that have been routed and approved in the AGrants file. Special Funds Accounting staff will meet with the fellow to discuss this process prior to the start of the fellowship assignment.

2. Payments made directly to Appalachian State University will be deposited into a restricted fund account as are all sponsored projects and the following steps will be taken:
   1. Departmental paperwork will be processed to charge Base Salary and Fringe Benefits to the sponsored project fund in accordance with routed/approved documentation in AGrants
   2. The Fellow will continue to receive a monthly check from the University with full Base Salary and standard Fringe Benefits, and all required state and federal tax, retirement and other deductions shall be made. Exceptions to this payment process must be documented in the AGrants file and approved by Appalachian’s Authorized Organizational Representative. Funds included in the award for expenses other than Base Salary and Fringe Benefits are handled like other grant funds from which the fellow can order materials or pay for travel expenses with appropriate documentation of the expenses.

4.2.3 Fellowship dollars shall be applied to both Base Salary and Fringe Benefits unless prohibited by the program guidelines or by an official letter from the Sponsor. Fellowship dollars designated by the sponsor for non-salary purposes, such as travel expenses for awardees and dependents, dependent support allowances, subsistence, housing, stipend, and/or maintenance costs that are intended to support scholarly activity in a location away from home will not be applied to Base Salary or Fringe Benefits.

4.2.4 Supplemental dollars/funds that are not designated as salary may be used to support scholarly activity. For example, in order for the University to support faculty with children, with adequate justification, supplemental dollars may be used for school tuition payments for accompanying minor children if tuition is not explicitly covered by the fellowship award. Additional taxes may apply to any such payments.

4.2.5 Facilities and Administrative costs (F&A/indirect costs) are not charged to fellowship awards.

4.2.6 The Fellow should seek the guidance of a qualified accountant or CPA regarding state and federal tax obligations related to the fellowship award, including a discussion about the implications of having the fellowship award paid directly to the individual instead of the University.

4.3 Summer Pay

4.3.1 Payment for activity outside the individual’s normal University contract shall be governed by the Supplemental Pay Policy, #602.10.

4.3.2 In discussion with the supervisor, department chair, and academic dean, summer salary and Fringe Benefits may be covered by the University in addition to Base Salary when this time is deemed necessary to the completion of a project covered by the fellowship. Up to three summer months of support may be provided when documented and approved during the pre-award routing and approval process.

4.4 Foreign Currency

4.4 Every attempt should be made for the Fellowship to be awarded in U.S. dollars.

4.4.1 If the Fellowship is awarded in a foreign currency, due to exchange rates, final adjustments to the pay amounts may require re-negotiation.

5 Additional References

Appalachian State University Faculty Handbook
Fellowship Budget Template
Appalachian State University Policy 602.10 Supplemental Pay
Appalachian State University Policy 204, Buyout Policy for Externally Sponsored Projects
6 Authority

7 Contact Information

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8 Effective Date

May 17, 2017

9 Revision Dates