

Chapter 2 Personnel or Salaries

The GMD application package identifies the following as a review checklist for a proper budget justification:

1. Is each individual identified by name and position?
2. Are time commitments such as hours and percent of time stated for each position?
3. Are the total charges for each person listed along with an explanation of how the costs were calculated?
4. Do the combined charges for all activities of any individual exceed 100% of their time?
5. Do the time commitments and charges appear reasonable?
6. For support or executive personnel, are costs charged to salaries excluded from the indirect cost category?
7. Are all individuals employees of the applicant organization? (If not, explain)
8. Is a cost of living increase built into the budget?
9. Are salary increases justified for the grant period?
10. Are any salary/personnel costs unallowable? (i.e. Federal Employees or legislative personnel)

What information should be included in the Cost Analysis memo?

The Grants Management Specialist should review all of the personnel and salary data for cost reasonableness. Would you support paying an individual \$200,000 per year? It is not

important to list verbatim exactly what is in the proposal but to analyze the data.

For example, for item one above, the answer could be that yet, all staff are identified by name and position or no, ten positions have yet to be determined. In the case of internships, interns are not identified up front, but fellowships are identified per student.

Item two and four tie together to determine how much time is allocated per person. This would identify individuals that are dedicated 50% time on three grants, which would not be possible. For example, many projects are task driven. One individual could be associated with multiple tasks and as long as the percent of time does not exceed 100%, then all is well. The problem develops when an individual is listed on multiple grants and their time is allocated over 100%. Grant Management Specialists should inquire with the grantee on any multiple assignments.

Item five refers to the reasonableness of time and salary. Is the 80% time and \$100,000 reasonable for this person. The time assessment is a function of realism that is done by the federal program officer. Reasonableness of salary is done based on historical experience, policies and practices of the

organization, market survey, or specialized costs that are germane to NOAA, such as Undersea Research Divers.

Item six is a check for salaries should not be charged as direct if they can be charged to an indirect cost element.

Item seven is a check to see if salaries are being paid to consultants and if so, then the organizations fringe benefit rate is usually lower than for employees.

Items eight and nine are a function of the policies and practices of the organization.

Item ten is self explanatory.