

Employment and Compensation of Personnel Paid from a Grant or a Contract

Effective: April 2002

Revised: September 14, 2006

Review: September 2011

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100.00 Introduction and Purpose

Faculty and professional employees whose salaries are funded entirely through a grant or contract administered by Montana State University shall be employed and compensated according to this policy.

The policy applies to research appointments as defined in Section 340.00 - 344.00 of the MSU Faculty Handbook. The policy does not apply to classified employees. [Classified employees are hired and compensated under the hiring procedures and salary rules applicable to all classified employees. See Personnel Policies and Procedures Manual.]

200.00 Policy and Procedures

210.00 Personnel paid entirely from a grant or a contract managed by MSU

For new grants and contracts, the department head and dean must approve the salary rate for personnel funded through the grant or contract prior to submission of the proposal for funding. The salary rates must be included on the budget detail submitted to the Office of Sponsored Programs. If the grant is awarded, each person employed with grant funds shall be appointed by means of a written Letter of Appointment. [See here for a [template for the Letter of Appointment](#)]

The Letter of Appointment must be completed and signed by the employee, and department head and forwarded for review and approval by the Dean, Office of Sponsored Programs, Human Resources/Office of Institutional Equity (OIE) and the President. Administrative assistants are not authorized to sign Letters of Appointment on behalf of designated signatories. The budget detail and the Personnel Transaction Form [PTF] must be attached to the Letter of Appointment for processing.

If the grant is renewed and the employee will be reappointed to work on the grant or contract, the amount of salary increase per calendar year may not exceed 7% of the base salary annually. Salary increases may be processed on the annual renewal date of the grant if the increase is contained in the itemized budget submitted through the Office of Sponsored Programs, and the budget has been approved by the granting agency. The annual salary increase may not exceed 7%. To process a salary increase after a Letter of Appointment has been issued, a Letter of Appointment Modification must be completed and signed by the employee and Department Head and forwarded for review and approval by the Dean, Office of Sponsored Programs, Human Resources/Office of Institutional Equity (OIE) and the President. [See here for a [template for the Letter of Appointment Modification](#)]. The budget detail and PTF must be attached to the Letter of Appointment Modification for processing. The salary increase will not be implemented until the Letter of Appointment Modification is approved. In most cases, the effective date of the salary increase will be limited to the annual renewal date of the grant or contract.