

Policy: Required New-Hire Costs on CEHS Sponsored Projects

Effective date: April, 2026

Purpose: This policy outlines expectations for proposal budgets submitted for external funding by CEHS faculty and staff to include the full, realistic, and compliant costs of hiring and supporting new project personnel, thereby reducing the likelihood of post-award deficits or unbudgeted department/college subsidies.

Requirement: For any proposed sponsored project budget that includes 100% effort new staff positions/new hires (including postdocs), the budget and justification must include all non-salary/wage/fringe costs that the project will incur for each employee, including:

1. **IT Networking Charges:** IT networking charges are allowable if they are included in the budget justification and charged proportionately across all projects the employee is working a. Example: A new hire will work 50% on grant A, 10% on grant B, and 40% on grant C. IT networking charges will be charged to the three grants using the same effort ratios.
2. **Hiring and Background Check Costs:** the cost of posting positions and completing background checks can be charged to a sponsored award if the employee is being hired specifically to perform work for the project. Budgeted amounts should reflect actual costs or a documented estimate from a vendor.
3. Any **other hire-dependent, project-necessary costs** that are known or reasonably anticipated at proposal stage.
4. If this is not budgeted in direct costs, it is expected that the PI will use their overhead to cover these incurred costs.

Example: IT Networking Charges

Requirement: Budgets should include monthly or yearly amount per new position for the period of appointment supported by the project.

Budget Category: Other Direct Costs

Budget Justification: “Required IT networking charges for personnel (account provisioning, endpoint management/security, helpdesk support, required systems access) are currently [\$90 per month or \$1080 per year] per USU employee. We have budgeted these costs for the [position title – as many as you are budgeting for] as they will be working directly on this project.”

Proposal Development and Internal Review Process

1. **PI/Project Team** will identify project personnel during budget development process and determine whether any new employees/positions will require IT Networking, background check or other position/hiring-related costs.
2. **Proposal Development Team** will assist the PI in confirming current costs of the required items with department head or business manager, include them in the budget, provide language for the budget justification to ensure that the costs are compliant and allowable.
3. **Department Head and Business Manager** will ensure that costs are applied correctly when reviewing the proposal during the Kualu internal approval process.