

## Addendum A: Additional (or supplemental) Compensation Funded by Externally Sponsored Programs

Supplemental compensation on externally sponsored programs is permitted if it is in accordance with the sponsor's rules and regulations. The Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards, in particular, 2CFR200.430 – Compensation – personal services, establishes the principles under which colleges and universities must administer faculty and research staff compensation for work performed on sponsored projects on all federal grants and contracts. The purpose of this section is to clarify and document University's guidelines for faculty and appropriate staff compensation as it relates to work performed on sponsored programs, both governmental and privately funded.

The guidelines apply to supplemental compensation paid in whole or in part from private, state and/or federally funded projects including those for which funds received by the University are from another entity, e.g., from a state agency or flow through another University that has received federal funds for a collaborative project.

OMB Uniform Guidance 2CFR200.430 (h) (2) does allow for supplemental compensation during the academic year, however, the rate of pay cannot be in excess of the institutional base salary (IBS) divided by the period (appointment) to which the base salary relates. For example, a faculty member with a 10 months full-time teaching contract for \$85,000 would only be paid at the rate of \$8,500 per month (\$85,000/10 months) to work full-time for one month during the summer.

- Faculty engaging exclusively in privately sponsored activities during the summer can earn supplemental compensation at the annual salary rates identified in the table below, if they work 100% of the summer and do not intend to take vacation or engage in any other activities that are not directly attributable to the funding source.

<b>Appointment Type</b>	<b>10 months</b>	<b>9 months</b>
% Effort	20%	33.33%
Allowable number of additional paid person months	2 months	3 months
Portion of the base salary	2/10th	3/9th

Faculty may receive additional compensation in excess of these limits for privately-funded research at rates negotiated and budgeted with the research sponsor, if they don't receive compensation from federal or state funds during the academic year. Approval of the Provost, with concurrence of the President, is required.

- Faculty engaging in federal and/or state grants and contracts during the summer are limited to 1.5 months during a two-month period in the summer (if 10 months appointment) and approximately 2.5 months during a three-month period in the summer (if 9 months appointment) as a total additional compensation during the same summer period, in order to mitigate any compliance issues and allocate a minimum of 5% to other activities.

<b>Appointment Type</b>	<b>10 months</b>	<b>9 months</b>
% Effort	15%	28.33%
Allowable number of additional paid person months	1.5 months	2.5 months
Portion of the base salary	1.5/10th	2.5/9th

In the exceptional case in which a federal project requires and the Principal Investigator (PI) can certify full two or three months of 100% summer effort (on 10 and 9 months appointment respectively) a

waiver can be granted by the Provost. Note that faculty who are paid 100% summer effort from federal or state grant funds have no time remaining for vacation during the summer.

Faculty on a full-year sabbatical at ½ salary may earn the remainder of their salary up to 100% by charging 50% effort on federal, state and/or private grants.

Faculty with part-time appointments can be compensated for work performed on sponsored projects at a rate not in excess of that regularly paid amount for the part-time assignments. For example, if a faculty member teaches half-time during the academic year for \$5,000 and devotes one-half of the remaining time to a sponsored project, the supplemental compensation chargeable by the University to a sponsored project would be one-half of \$5,000, or \$2,500.

Please refer to the [Time & Effort Conversion Table](#) for different appointment types to calculate the appropriate supplemental compensation.

To ensure compliance with federal regulations, no supplemental compensation will be paid unless the PI has up-to-date training and certification of effort.

Any activities undertaken for supplemental compensation may not interfere with faculty member's satisfactory disposition of his or her regular assignments and responsibilities. Faculty may engage in as many extra activities for supplemental compensation as is consistent with maintaining a satisfactory disposition of their obligations to the University, as defined and monitored by the Department Chair and the Dean of the College. It is the responsibility of the Department Chair and the Dean to ensure that faculty meet their regular obligations to the University.

If a grant requires the faculty to work on a project during academic year, faculty needs to seek approval from the Dean and Department Chair for release or buy-out time from their teaching and/or administrative duties. See the [Course Buy-out Policy](#) for more details.

In addition, per 2CFR200.430 (h), intra-University consulting by faculty is assumed to be undertaken as a University responsibility requiring, with only limited exceptions, no compensation above the IBS. The exception to this is an unusual situation where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the faculty member is in addition to his or her regular University responsibilities. In these unusual cases, intra-University consulting may be charged to a federal award if it's approved in writing by the sponsor or specifically provided for in the award document(s).

Generally, research grant and contract proposal budgets cannot include overload payments, i.e., over the IBS amount for effort on research grants and contracts. However, faculty may be released from teaching obligations during the academic year and work performed during the summer on grants and contracts can be compensated according to these guidelines.

Documented approvals of the Department Chair and the Dean are required before a faculty member may engage in any activity for supplemental compensation.

The Additional Compensation Form for faculty must be completed and approved by all the appropriate parties and then submitted to Human Resources.