

Sponsored Research Compensation and Salary

Academic Year Supplemental/Extra Compensation Policy

Federal rules and regulations, including OMB Circular A-21 and the NIH Grants Policy Statement, do not allow for an individual's institutional base salary to be increased as a result of obtaining grant funding. These federal rules and regulations also restrict the payment of overload, bonuses, or other payments outside the individual's institutional base salary. In addition to the University's general policy regarding the allowability of supplemental compensation, the following principles must be applied when salary is to be paid from a sponsored project.

Summary of OMB A-21 Principles:

Charges for work performed on sponsored agreements by faculty members must be based on the individual faculty member's regular compensation during the period of performance. Charges must be made at the allowable **base** rate; the faculty member cannot receive additional compensation for his or her participation in a sponsored project over and above the appropriate portion of the **base salary** allocated to the project.

The only exception to allow for compensation above the base salary during the academic year is a very specific exception for consultation across departmental lines. The general rules for faculty compensation during the academic year and the specific requirement for the exception to those rules are found in OMB Circular A-21, section J.10.d. and are as follows (emphasis added):

Salary rates for faculty members.

(1) Salary rates for academic year. Charges for work performed on sponsored agreements by faculty members during the academic year will be based on the individual faculty member's regular compensation for the continuous period which, under the policy of the institution concerned, **constitutes the basis of his salary**. Charges for work performed on sponsored agreements during all or any portion of such period are allowable **at the base salary rate**. In no event will charges to sponsored agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period. This principle applies to all members of the faculty at an institution. Since intra university consulting is assumed to be undertaken as a university obligation requiring no compensation in addition to full time base salary, the principle also applies to faculty members who function as consultants or otherwise contribute to a sponsored agreement conducted by another faculty member of the same institution. However, **in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his regular departmental load, any charges for such work representing extra compensation above the base salary are allowable provided that such consulting arrangements are specifically provided for in the agreement or approved in writing by the sponsoring agency**.

Payment of Stipends to Faculty during the Academic Year

Faculty on nine month contracts are eligible to receive extra compensation or stipends in excess of base salary if the sponsored research work or tasks are conducted during non-business hours. Individuals must agree to and provide documentation showing tasks completed and date and time of task in order to be eligible for additional compensation.

Summer Salaries and Compensation Policies

Academic year compensation rules are *not applicable* to summer salary for nine (9) month faculty. See OMB Circular A-21 §J10d(2)(a). Research compensation during the summer months or other periods not included in the base salary period is to be calculated for each faculty member at a rate not in excess of the base salary divided by the period to which the base salary relates. A faculty member on a nine-month appointment can request summer salary of up to 33% of his/her base salary.

Per OMB Circular A-21, the maximum allowable compensation above and beyond base salary is 33% within a fiscal year, with the 33% including compensation charged to grants or contracts, and inclusive of compensation earned for summer school appointments. Compensation received for course overloads, research supplements, independent studies, continuing education, and large class overloads are not counted in the 33% cap. Under exceptional circumstances, a faculty member can request a waiver of the 33% cap. Exceptions would include cases where a waiver is necessary in order to avoid negative consequences to the University, students, or faculty research. Waivers must be approved by the Office of Sponsored Programs.

Funds paid out during the summer will not affect the faculty member's academic year base salary.

Individuals requesting salary outside of the academic year or salary reimbursed as stipends must submit Personnel Action Forms (PAF) to the OSP. All PAF's must be accompanied by a progress report justifying the requested salary. PIs are asked to be cognizant as to UNA payroll deadlines for salary reimbursements.

Part-time Faculty Compensation Charged to Grants and Contracts

Rates of compensation for part-time faculty members are based on a salary schedule for the academic year of two semesters (nine months). The salary schedule recognizes academic rank, highest degree level, appropriate experience, and merit or market value in a system in which numerical weights are assigned to each category. Rates of compensation for part-time faculty charged to grants or contracts will be based on their full time equivalent nine month per hour rate.

Course Buy-outs

A course 'buyout' situation provides the faculty with an academic year course release so that the faculty member can work on an externally funded grant or contract. The corresponding percentage of the person's appointment is directly charged to the grant during the term of the

buy-out. In effect the external grant or contract 'buys' the faculty members released time by paying for that portion of their salary so that the equivalent amount of effort can be spent working on the grant or contract.

Policy:

- a. Course buy-out requests must be made prior to the time of the proposal submission to the Office of Sponsored Research.
- b. Faculty requesting course buy-outs must secure the approval of the Department Chair and Dean of the College.
- c. The cost of a course buy-out is $1/8^{\text{th}}$ of the faculty member's nine-month academic year compensation, where compensation is defined as base salary plus fringe benefit.

Extra Compensation and Salaries for 12-month Appointments and Staff

Individuals on 12 month contracts (including administrative and clerical support staff) are only eligible to receive extra compensation in excess of base salary, if the sponsored research work or tasks are conducted during non-business hours. Individuals must agree to and provide documentation showing tasks completed and date and time of task in order to be eligible for additional compensation. 'Extra Compensation' salaries must be included in the budget submitted to the funding agency and addressed in the budget justification.

For individuals on 12 month contracts, allowable compensation in excess of base salary must be approved by the Vice President for Business and Financial Affairs, with notification of approval sent to the OSP prior to proposal submission.

INSTITUTIONAL BASE SALARY FOR SPONSORED PROJECTS

I. Definition

Institutional Base Salary (IBS) is the compensation paid by the University for an employee's appointment, whether that individual's time is spent on research, teaching, administration or other activities. IBS includes an individual's regular salary (e.g. academic appointment), exclusive of any salary/stipend from any additional assignment (e.g. chair of a department). The IBS does not include incidental, one-time payments. Also excluded from the IBS is salary paid directly to an individual by an organization outside the University.

II. Policies, Procedures and Sponsor Requirements

If a faculty member has academic, administrative (e.g. department chair stipend) or other non-research responsibilities (including writing new, competitive proposals), less than 100% of the individual's effort is available to be requested from sponsored projects. The individual's total IBS must, however, be used to calculate the percentage of effort (or person-months) proposed/requested and is used in the calculation of the percentage of effort on the individual's Effort Certification Report.

All salary from sponsored projects is subject to the time and effort reporting policies discussed in *'Time and Effort Reporting'*

Certain sponsors (e.g. NIH) impose a limit/cap on the rate of salary they will reimburse. The difference between the capped rate and the individual's IBS is considered mandatory cost sharing, rather than a reduction in the individual's IBS.

IBS may not be increased as a result of replacing University salary funds with sponsored project funds.