Additional Compensation on Sponsored Projects

Scope
This policy applies to all individuals whose salary, or any other compensation is charged to sponsored projects, in whole or in part, and who have committed effort to a sponsored project, or if their salary is paid from UNO sources or funds and constitutes voluntary or mandatory committed cost sharing. This policy is in conjunction with NU Values Compensation Guidelines and NU Executive Memorandum No. 19. Adherence to this policy is the responsibility of all UNO university personnel involved proposing and administering sponsored projects including project directors/principal investigators, department and grant administrators, administrative heads, deans, and office of sponsored programs.

Policy Statement
This policy establishes general provisions to cover the circumstances and limitations under which extra compensation may be appropriate for employees who are supported in any way by sponsored projects. Compensation, including summer, academic year, and additional compensation (often referred to as “extra service” or “overload”) payments, for personnel paid on federal or federal pass-through funds, is governed by Uniform Guidance, 2 CFR 200, in §200.430 Compensation—personal services. Per this guidance, UNO is required to treat all compensation on sponsored projects uniformly, including compensation on non-federal awards.

2 CFR 200 stipulates that extramural funding cannot be used to increase an individual’s institutional base salary (IBS).

In addition to NU Executive Memorandum No. 19, the following conditions must be met when additional compensation is to be paid from a sponsored project.

1) **Intra-Institution of Higher Education (IHE) consulting:** Intra-IHE consulting by faculty should be undertaken as an IHE responsibility requiring no compensation in addition to the IBS. However, in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the sponsored project work performed by the faculty member is in addition to his or her regular responsibilities, any charges for such work representing additional compensation above the IBS are allowable provided that such consulting arrangements are specifically provided for in the award or approved in writing by the awarding agency.

2) **Specific Program/Project Requirements:** Under certain circumstances, faculty, research professionals, or administrative staff supported by sponsored projects may be requested to perform duties outside of their normal work assignments. Additional compensation may be provided for additional assignments only when the intended task(s) is clearly outside the normal workload of an individual, as described in the employee’s appointment letter,
contract, or job description. The work performed cannot conflict with the employee’s regular university duties and assignments.

3) **Incidental Activities**: These activities are for recognition of a one-time special or distinguished service for which propriety precludes setting a fixed price. Activities include, but are not limited to a lecture, concert, participation in a workshop or seminar, speaking engagement, or appraisal of a manuscript for professional publication. Both employees and non-employees are eligible to receive one-time payments, however, UNO employees must be paid through the payroll system.

**Eligibility** *(in accordance with Uniform Guidance)*

- **Project Directors (PD)/Principal Investigators (PIs), Co-Principal Investigators (Co-PIs)** are ineligble to receive additional compensation above IBS on federal and non-federal sponsored projects.

- **Non-PD/PI, Senior/Key Personnel and monthly paid employees** may be eligible for additional compensation above IBS upon prior written approval from the sponsor. The approval should outline the individuals receiving the additional compensation and a detailed explanation for why it is necessary.

- **Non-Exempt/Hourly employees** are ineligble to receive additional compensation. They are eligible for overtime pay for activities exceeding 40 hours per week.

**Reason for Policy**

This policy for the administration of sponsored projects additional compensation has been established to provide consistent operational practices and ensure compliance with federal government regulations with consideration given to the Office of Management and Budget (OMB) Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200) and those required by the Cost Accounting Standards Board.

Failure to comply with this policy can result in financial penalties, expenditure disallowances, and harm to the University's reputation. Failure to accurately propose, charge, and document compensation related to sponsored projects could also jeopardize future sponsored projects and is, therefore, mandatory. For compliance assistance, contact OSP.

**Procedures**

Additional compensation must be identified and justified in the proposed budget. If the additional compensation was not identified and approved in the submitted proposal, the additional activity must be first internally approved and then approved (in writing) by the sponsor’s program and administrative officials, PRIOR to the effort taking place. Retroactive compensation will not be allowed, except under extraordinary or emergency circumstances. If the type of compensation needs to be changed (e.g., academic to summer), prior approval from the Office of Sponsored Programs (OSP) must be obtained. This may include seeking department/unit approval and/or sponsor approval as applicable.

**Non-Compliance on Sponsored Projects**

If sponsored project additional compensation exceeds the amount allowed in this policy, the employee may be forced to remit to the university the amount paid that exceeds the limit.

If a school, college, or division approves sponsored project additional compensation payments that do not comply with this policy, the Office of Academic Affairs may remove delegation for compensation payment approvals.

All externally funded project budgets must be routed through OSP for review, institutional approval, and submission to the sponsor. At the time of budget development, a detailed written description of how the work to be performed is outside or above the person(s) regular departmental workload, across departmental lines, or involving a separate or remote location must be submitted for OSP review. It would need to be specific enough for OSP to determine conclusively when work beyond that level has occurred.

All additional compensation on sponsored projects requires the prior approval of the individual’s department and college/unit/center. Such approval is indicated by the approving person’s signature via the OSP routing/approval forms in NuRamp or signatures on the Recurring Payment Form (RPF). OSP will require the following questions to be addressed in the RPF rationale section:

1. Describe how the work to be performed is outside or above your regular departmental workload.
2. Describe how the additional compensation will be for the work either across departmental lines or involving a separate or remote location.
3. Explain the computation for determining the amount of additional compensation.

Exceptions
Exceptions can be requested from the Associate Vice Chancellor for Research and Creative Activity.

Processing
The award document from the sponsoring agency must state that additional compensation is allowed, or the document must imply that the sponsor accepts the proposal with no alterations regarding the request for additional compensation. If the sponsored project is awarded the approved additional compensation, the compensation is processed by submitting an RPF with the appropriate backup documentation through the individual’s department administration. RPFs are submitted to the Office of Academic Affairs (OAA) for final review and approval. OAA will send the forms to grants accounting for final approval (allowability on the sponsored project). Upon OAA approval, the forms will be sent to payroll for entry.

Definitions
Individual: An Individual is any UNO employee who has payroll charges (whether paid by the Sponsor or cost shared) on a Sponsored Project.

Senior Key Personnel: Program director/principal investigator and other individuals that contribute to the scientific development or execution of a project in a substantive, measurable way.

Sponsored Project Additional Compensation – (often referred to as “additional or overload”) any compensation paid to an employee by the University in excess of the IBS on a sponsored project. For work clearly beyond/outside the scope of the faculty member’s normal assignments, outside the scope of duties specified in one’s contract or HR-approved job description, and in an amount appropriate to the allocation of time necessary to complete the additional assignment. This type of payment is limited to 20% of an employee’s IBS to follow NU Executive Memorandum No. 19, and is only available to exempt monthly paid employees.

Institutional Base Salary (IBS): Annual compensation paid by the University for an employee’s appointment, whether is spent on research, instruction, service, administration, patient care or other activities. The IBS does not include bonuses, one-time payments, or any other incentive pay.

Normal work assignments: Clear and defined activities required of an employee, as described in his/her appointment letter or contract. In-load work assignments typically include the expected full-time commitment of the faculty member to teaching, professional service (including administration), scholarship, research and creative activity, academic achievement, and professional development.

Sponsored Projects – activities (projects), sponsored whole or in part, by external agencies (federal and non-federal) for which there is an expectation (implied or specificity stated) on the part of the sponsor for performance or outcome.

Contacts

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Forms
Recurring Payment Form

Related Information

- Sponsored Project Summer compensation for 9-month faculty: Summer salary is not considered additional compensation on a sponsored project, as this is compensation for work outside the academic appointment period. Summer salary indicates a commitment to put forth a comparable effort on a particular project during the summer, outside of the academic year. Faculty receiving summer salary from a sponsored project will typically perform such
work in their normal place of business unless the work being conducted is offsite and a requirement of the project. Federal regulations stipulate that summer research effort supported by sponsored projects must be "computed and paid at a percent effort rate not in excess of the faculty member's official Institutional Base Salary (IBS) divided by the number of months in the period for which that IBS is paid." However, only up to one-third of a 9-month IBS can be paid on sponsored projects during the summer months. This 33.33% is the total compensation limit, thus it includes any teaching, stipends, or other pay received from the University during this period. Additional limitations may be set by specific agencies. See Sponsored Project Summer Salary FAQ for additional details.

- Executive Memorandum No. 19
- IBS Policy

History
Recent audits by the federal government have resulted in the disallowance of substantial sums of money at several institutions. This policy will ensure compliance with OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR 200). It creates a transparent, standard practice for requesting, approving, and tracking additional compensation for all UNO faculty and staff supported by sponsored projects.