

## **POLICY ON CHARGING COMPENSATION TO SPONSORED PROJECTS FOR FACULTY**

### **Introduction**

This policy is intended to assure that the College's practices with respect to charging compensation to sponsored projects comply with applicable federal regulations, including the Office of Management and Budget Circular A-21 and granting agency requirements. Charging compensation to a sponsored project is allowable only to the extent that it complies with such requirements and with the College's policies.

Such compensation can take three forms: reimbursement of Academic Year Salary, Summer Salary, and Additional Compensation. Full-time faculty except for those appointed for only one term, are paid in 12 equal monthly installments.

Academic Year Salary is compensation provided for service to the College during the regular academic terms, including but not limited to research, teaching, and administrative responsibilities.

Summer Salary is compensation provided for service completed during the summer for grant-related services.

Additional Compensation is compensation for extra services to the College, paid in addition to the Academic Year Salary. As set forth below, in rare circumstances, Additional Compensation may be charged to a sponsored project during the regular academic terms. Part-time faculty may also earn Additional Compensation from a sponsored project, but may only receive compensation during the summer months.

Whenever compensation is charged to a sponsored project, federal regulations require a certification that the compensation charged is reasonable in relation to the effort provided (the "effort certification"). Accordingly, all faculty who have compensation charged to a sponsored project must sign an Effort Certification Form. In addition, any employee reporting to the PI must have an Effort Certification Form signed.

Compensation funded by the National Science Foundation is limited to two months in total, regardless of the number of NSF-sponsored projects.

### **1. Academic Year Salary Reimbursement and Summer Salary**

As set forth below, faculty may charge a portion of Academic Year Salary to sponsored projects ("Sponsored Academic Year Salary"). Faculty may also charge Summer Salary to sponsored projects ("Sponsored Summer Salary"). Part-time or visiting faculty may receive Sponsored Summer Salary. This is contingent upon an active faculty contract and permission of the respective dean.

During the regular academic terms, faculty typically engage in non-sponsored College activities, such as teaching, service on committees, advising students and other non-sponsored activities. These activities must be funded by the relevant school or department, and may not be charged to sponsored projects.

**A. Sponsored Academic Year Salary**

1. To the extent that faculty receive Sponsored Academic Year Salary, they must devote no less than the commensurate time during the Academic Year to the applicable Sponsored Project.
  - Sponsored Academic Year Salary is not Additional Compensation. It is Academic Year Salary, i.e., institutional base salary, which is funded by a Sponsored Project.
  - The rate for Sponsored Academic Year Salary is the same as the rate for non-sponsored academic year salary, and is computed based upon the number of months for which the Faculty member is appointed. For example, a Faculty member on a nine-month academic calendar who devotes one month of effort to a Sponsored Project during the Academic Year may charge one-ninth of his or her academic-year salary to the Sponsored Project.
  - Sponsored Academic Year Salary should be appropriately allocated to reflect work on the Sponsored Project. For example, if a faculty member plans to work on a Sponsored Project throughout the Academic Year, the commensurate Sponsored Academic Year Salary may be allocated across the academic year.
2. During the regular academic terms, faculty typically engage in non-sponsored College activities, such as teaching, service on committees, advising students and other non-sponsored activities. These activities must be funded by the relevant school or department, and may not be charged to sponsored projects.

**B. Sponsored Summer Salary**

1. Sponsored Summer Salary is paid as Additional Compensation during the summer.
2. Faculty who receive Sponsored Summer Salary must expend the associated effort during the summer. Effort expended during the academic year does not satisfy a commitment related to the receipt of Sponsored Summer Salary.
3. A faculty member may not receive Sponsored Summer Salary for activities other than Sponsored Research. That means that to the extent that a faculty member is engaged in non-sponsored University activities, (s)he may not be compensated for that work from sponsored projects.
4. The maximum amount of Sponsored Summer Salary permissible is three-ninths of the faculty's regular academic year salary (and in the case of NSF summer salary, that amount is limited to 2 summer months less any Academic Year Salary supported by NSF). In other words, in any year, a faculty member may receive no more than three months of Sponsored Summer Salary. Each month of Sponsored Summer Salary represents one month of full-time effort.
5. The rate for Summer Salary is the same as the rate for the regular academic year salary.

### **C. Academic Year Additional Compensation on Sponsored Projects**

In unusual situations, faculty may earn Additional Compensation that is funded by a grant or contract during the regular academic terms. The following requirements apply to such Additional Compensation:

1. Additional Compensation is allowable subject to the regulations of the funding agency and the College's policies.
2. Additional Compensation included on a sponsored project budget must have the approval of the Dean and any other related-supervisor prior to grant submission.
3. In any grant application that requests Additional Compensation, the budget justification must state explicitly that the salary listed for the relevant faculty member represents Additional Compensation above the faculty member's base salary. In addition, prior approval for such Additional Compensation must be explicitly sought and obtained from the funding agency in accordance with agency requirements.
4. An award letter must explicitly state that grant funds are to be used for Additional Compensation for the faculty or a written statement from appropriate funding program office stating that funds may be used for Additional Compensation.
5. The requirements set forth in Paragraph C.4 also apply to any subsequent re-budgeting to pay Additional Compensation after the award is made. Where a sponsor's prior approval for such re-budgeting is not required, the Office of Government and Foundation Relations on will coordinate College approval.