



Policy for Extra Compensation of Employees Supported By Sponsored Research Programs

Effective Date: July 22, 2008

Approval: January 8, 2015;
University President

Maintenance of Policy: Vice
President for Research and
Executive Director, Research
Institute

PURPOSE: 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 research funds. These guidelines must be followed whether extra compensation is paid from University sources or from non-federally or federally sponsored projects, to ensure compliance with state and federal regulations with particular consideration given to OMB Circular A-21, Cost Principles for Educational Institutions.

SCOPE: This policy applies to faculty and research professional and administrative staff supported by sponsored research programs.

DEFINITIONS:

- (a) “Faculty” refers to full-time persons hired by UD to fulfill teaching and scholarly activities. These may include tenured, tenure-track, and non-tenure-track faculty.
- (b) “Faculty Appointment (contract period)” is the period for which faculty is compensated for duties related to a regular departmental teaching load (three 3-credit hour courses per semester). Employment contracts for non-tenured faculty are issued annually by the Provost, by April 15, upon the recommendation of the Department Chairperson and with the concurrence of the academic Dean. The contractual period normally follows the academic year, August 16 through May 15, a 9- month period. There are occasions when a contract may be granted for a 12-month period.
- (c) “Faculty (outside the contract period)” for 9-month faculty, is generally the period from May 16 through August 15. The specific dates of the time outside the contract period are based on the faculty member’s employment contract.
- (d) “Professional Research Employees-Academic Departments” pertains to full-time research professors.
- (e) “Professional Research Employees-Research Institute” is used to describe various full-time professional research positions such as those classified as P1, P2, P3 and P4 (RI Policy Memo 12). These positions are characterized by the following conditions:

REFERENCE DOCUMENTS:

Overload Compensation Request Form (OCRF) - *for faculty members charging to sponsored research programs;*

Incidental Compensation Request Form - *for full-time professional and administrative research employees;*

Personnel Action Form (PAF) Research Timecard;

Policy on Staff Outside Employment and Additional University Services

Overtime Authorization Procedure

Report of the Academic Senate’s Faculty Workload Committee and Proposed Workload Policy (1995) entitled, “University Faculty Workload Guidelines;”

Faculty Handbook, Section VII, Faculty Policies: Research;

Faculty Handbook, Section IX, Faculty

POLICY HISTORY:

Approved in its original form: July 22, 2008;

Approved as amended: July 22, 2008 (Titled: RI-SR-003 Policy for Extra Compensation of Employees Supported by Sponsored Research Programs);

Approved as amended: January 8, 2015

Extra Compensation of Employees Supported By Sponsored Research Programs, (cont.)

DEFINITIONS (continued):

- The position is generally supported by an external research contract/grant and continuing employment is dependent on availability of funds;
- These positions are exempt from the Fair Labor Standards Act;
- The employee is considered research staff for purposes of determining eligibility for benefits; and
- The hiring of the employee is processed through the Office of Human Resources and the employee is assigned to the Research Institute.

(f) “Administrative Research Employees-Research Institute” is used to describe various full-time professional administrative positions such as those classified as A1, A2, A3, A4, and A5 (RI Policy Memo 12). These positions are characterized by the following conditions:

- The position is generally supported by an internal account and may be supported by an external research contract/grant and continuing employment is dependent on availability of funds,
- These positions are exempt from the Fair Labor Standards Act,
- The employee is considered administrative staff for purposes of determining eligibility for benefits, and
- The hiring of the employee is processed through the Office of Human Resources and the employee is assigned to the Research Institute.

POLICY:

Under certain circumstances, faculty and research professional and administrative staff supported by sponsored research programs may be requested to perform additional assignments for which extra compensation may be warranted. Extra compensation may be provided for additional assignments only when the intended tasks are clearly outside the normal workload of the individual and are in response to a special or urgent need that can best be satisfied by a specific individual as determined by the appropriate University Dean or Research Institute Director.

As part of the approval process, the appropriate University Dean or the Director of the Research Institute must carefully evaluate all the circumstances when considering extra compensation. Their recommendation for approval of extra compensation indicates that the best interests of the University are being served, (for example, if there is an unusual or urgent need that cannot be accommodated by faculty release time or within the normal workload), if the appointment represents the most economical approach to meet the need, or if alternative arrangements are not feasible.

In addition to this policy, additional criteria must be applied when a portion of the employee’s salary is to be paid from a sponsored project. Federal rules and regulations, including OMB Circular A-21, Cost Principles for Educational Institutions, and the NIH Grants Policy Statement, do not allow an individual’s institutional base salary to be increased as a result of obtaining sponsored research funding. These federal rules and regulations also restrict the payment of extra, bonus, or other payments outside the individual’s institutional base salary.

Institutional Base Salary

Faculty Member

For a member of the faculty, the institutional base salary is the annual permanent salary of the employee as it appears in his/her employment contract or subsequent letters of notice of salary increase/decrease for time spent on teaching, research, or other normal workload activities as defined in the “Normal Workload” section below. For example, a faculty member has a 100% appointment for 9 months at \$45,000. The institutional base salary rate is \$45,000 for 9 months, or \$5,000 per month.

Extra Compensation of Employees Supported By Sponsored Research Programs, (cont.)

POLICY (continued):

The institutional base salary excludes any income an individual is permitted to earn outside of his/her duties for the University of Dayton.

Professional Research and Administrative Research Employee

For a member of the professional research and administrative research staff, the institutional base salary is the annual salary of the employee to conduct research activities such as sponsored research, internal proposal writing, research marketing and development, and other activities in support of sponsored research activities.

Normal Workload

Faculty Member

The normal workload of faculty members on 9-month or 12-month contracts is defined, minimally, as teaching, including instruction in regular academic-year courses with assigned credit hours and mutually agreed upon instructional assignments, such as thesis, dissertation, seminar and special problems supervision.

The workload may also include: summer session courses; scholarly activities and research, including sponsored research; student advising; academic committee work; departmental sponsored scholarship; administrative duties; and service to the University and scholarly community. Workload does not include outside paid consulting or professional services.

A typical “normal” workload for a faculty member consists of teaching three 3-credit hour courses per semester.

See Report of the Academic Senate’s Faculty Workload Committee and Proposed Workload Policy (1995) entitled, “University Faculty Workload Guidelines.”

Professional Research and Administrative Research Employees

The normal workload of full-time professional research and administrative research employees is defined as conducting or supporting research or other externally-funded activities. The workload may also include internal research, development, marketing, proposal preparation, or any combination of the aforementioned activities.

A normal workload for professional research and administrative research employees consists of working 40 hours per week on an annual basis (8 hours/day, 5 days/week, 52 weeks). The 40-hour workweek includes vacation, sick leave, and holiday hours.

Sponsored Research Programs

Sponsored research programs are defined as externally funded activities that are governed by specific terms and conditions. Sponsored research projects must be separately budgeted and accounted for subject to terms of the sponsoring organizations. Vehicles for sponsored projects may include grants, contracts, cooperative agreements or other instruments for conducting research, training, and other public service activities.

Principal Investigator

A principal investigator is the faculty member or professional research employee who is the lead researcher/program director on a sponsored program.

Types of Extra Compensation for Employees Supported by Sponsored Research

Extra compensation over the institutional base salary paid to faculty and professional research employees through the University and UDRI payroll offices includes supplemental, overload, and incidental compensation.

Extra Compensation of Employees Supported By Sponsored Research Programs, (cont.)

POLICY (continued):

Supplemental Compensation

Faculty members with appointments of less than 12 months (e.g., 9 months or .75 FTE) during an academic year can increase their commitment up to 12 months (i.e., 1.0 FTE) with supplemental compensation beyond their institutional base salary.

The summer sessions are often a convenient period for nine-month faculty to pursue sponsored projects on a full-time basis or to split effort between teaching and sponsored projects.

Overload Compensation

Overload compensation is payment to a faculty member for added work beyond the normal workload that is in addition to his/her institutional base salary. This policy covers overload compensation for faculty members supported by sponsored research contracts or grants only.

Incidental Compensation

Incidental compensation is a payment beyond the institutional base salary paid to a full-time professional research or administrative research employees for temporary activities outside their “normal” workload. These activities are of short duration including, but not limited to, teaching undergraduate or graduate classes for an academic department.

Release Time for Conducting Sponsored Research

Release time for conducting sponsored research is defined as dedicated time away from teaching responsibilities to conduct sponsored research granted to faculty after consultation with the Academic Department Chair and Academic Dean.

Special Conditions for Extra Compensation on Sponsored Research Programs

Extra compensation on sponsored research programs is governed by the Office of Management and Budget (OMB) Circular A-21, “Cost Principles for Educational Institutions,” which allows for payment of extra compensation on sponsored programs when all of the following conditions are met.

Supplemental Compensation

Faculty

Supplemental compensation includes sponsored research payments to faculty members with less than a 12-month academic appointment outside the appointment contract period (i.e., summary salary for a 9-month faculty member). 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 institutional base salary divided by the period to which the base salary relates. Supplemental compensation is processed by submitting a PAF through the Office of Human Resources and a timecard through the UDRI payroll office.

Upon appropriate approvals, individuals with appointments of less than 12 months (e.g., .75 FTE) during an academic or fiscal year can increase their commitment up to 12 months (e.g., 1.0 FTE) with supplemental compensation beyond their institutional base salary.

The summer sessions are often a convenient period for nine-month faculty to pursue sponsored projects on a full-time basis or to split effort between teaching and sponsored projects.

Extra Compensation of Employees Supported By Sponsored Research Programs, (cont.)

POLICY (continued):

Professional Research Employees

Supplemental compensation for full-time professional research employees is not available since a full-time researcher's normal workload is defined as working at least 8 hours per day per 5-day workweek for 52 weeks, and the institutional base salary covers the entire 12-month period.

Overload Compensation

Faculty

It is recognized that active participation in research projects and other sponsored programs may require additional efforts beyond those dedicated to the normal faculty workload of teaching, scholarship, and research activities. It is presumed that a regular full-time faculty appointment will require 5 days per week on average, and for such the faculty member is compensated according to the University-approved salary level.

It is a general policy of the University that sponsored research is undertaken on a released-time basis. When an employee undertakes a sponsored research project on a released-time basis, the grant shall be charged for that portion of his/her time devoted to the project per the terms of the grant/contract. The rate of compensation will be the same as that paid by the University.

In those instances where it is not possible for a faculty member to be released from his/her regular University duties to undertake sponsored research projects, payments of overload compensation may be permitted for up to an additional eight hours work per week (20%) during period of academic appointment, unless the Academic Department's policy is more restrictive, under all of the following circumstances:

1. The faculty member contributes to a sponsored program that is in addition to his/her normal workload. In addition, the sponsored program should be across departmental lines from the faculty member's home department, or involve a separate remote operation. From OMB Circular A-21:

...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 location, 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.

Exception to these circumstances requires the additional approval of the Vice President for Research.

2. Funds are available on a contract, grant, etc., that have been awarded to the University through the Contracts and Grants Office (CGO).
3. It is understood that overload employment will be undertaken only when the additional duties will not interfere with regular University duties and are clearly allowed by the sponsoring agency with their prior approval in writing.

Extra Compensation of Employees Supported By Sponsored Research Programs, (cont.)

POLICY (continued):

4. The principal investigator requests and receives approval for overload compensation from the Academic Department Chair and Dean by submission of the Overload Compensation Request Form (OCRF) for faculty members charging sponsored programs. *No work is permitted on the project until all approvals from University administrators and the sponsoring agency are given in writing.*
5. The CGO specifically requests approval from the sponsor that overload compensation be paid, and the CGO receives written approval from the sponsor authorizing payment of overload.
6. Overload compensation may not exceed 20% of the faculty member's institutional base salary during the period of the faculty member's academic appointment. The 20% limitation applies to the total and not to each request separately.
7. Overload compensation is not permitted during any period in which the faculty member already devotes more than 75% effort to sponsored research programs.
8. All faculty member effort (departmental and sponsored research), including overload, is documented and approved using the sponsored research time card system.
9. The policies of a sponsoring agency shall govern overload compensation when they are more restrictive than the above policy.
10. The University will not make contributions to TIAA-CREF based on the overload compensation.
11. Payment of overload compensation is processed by submitting a PAF through the Office of Human Resources and a timecard through the UDRI payroll office.

Incidental Compensation

Professional Research and Administrative Research Employees

Per OMB Circular A-21, extra compensation can be paid for incidental work (temporary activities) beyond the institutional base salary from a temporary source of funds provided the activities are outside the "normal" workload for the individual. Payment need not be included in the payroll distribution system (timecard) that reflects the activities for which the employee is compensated by the institution. Incidental compensation is not intended for employees who teach or perform specific duties on a regular basis as this would be considered part of their "normal" workload.

Incidental compensation may be permitted for up to an additional eight hours work per week (20%) under the following circumstances:

1. The professional research or administrative research employee has specifically requested and received approval from the Research Institute Division Head/Research Institute Director or Academic Dean/Academic Department Chair (if applicable).
2. The incidental compensation is available from and must be paid by University funds.
3. Incidental compensation is for work in addition to the 40-hours charged each week on the employee's timesheet. As such, payment for incidental work is processed separately (outside the normal workload).

Extra Compensation of Employees Supported By Sponsored Research Programs, (cont.)

POLICY (continued):

4. Incidental compensation may not exceed 20% of the employee's institutional base salary. The 20% limitation applies to the total and not to each request separately.
5. The incidental compensation pay rate may not exceed the institutional base salary rate during the period of incidental work.
6. All incidental work and compensation must be separately identified and documented in the financial management system.
7. Incidental compensation is not permitted using sponsored research funds.
8. The University will not make contributions to TIAA-CREF based on the incidental compensation and the employee will not accrue sick leave or vacation credits for the additional time worked.
9. Payment of incidental compensation is processed by submitting a PAF through the Office of Human Resources and payroll offices.

Responsibility for Enforcement, Remedies, Sanctions

Faculty Member

The faculty member is responsible for preparing the proposal, completing the Proposal Processing Form (PPF), the Overload Compensation Request Form (OCRF) and forwarding to the Academic Department Chair/Academic Dean for approval. To receive payment for sponsor-approved overload compensation, the faculty member will submit the required timecard(s) to the Academic Department Chair.

Academic Dean/ Academic Department Chair

Proposals and OCRF requests for overload compensation shall be submitted to the Academic Department Chair and Academic Dean. The Chair and the Dean shall assure that primary responsibilities of the faculty member are covered. In assessing overload requests, every reasonable effort must be made to incorporate such activities into the regular program (i.e., release time) before recommending an overload approach. Even after overload compensation is approved, actions should be explored to bring anticipated future needs into the regular pattern of assigned duties. The Dean will forward the proposal and certified OCRF form to the Contracts and Grants Office who will ensure the OMB Circular A-21 requirements are fulfilled. The Contracts and Grants Administrator will then obtain the approval of the Vice President of Research before submitting a written request for overload compensation to the sponsor for authorization. In most cases the request for sponsor's approval will be incorporated in the original proposal submitted for research sponsorship.

If authorized by the sponsor, CGO will contact the academic department chair who is responsible for completing the Personnel Action Form (PAF) which describes and approves the payment. The PAF is forwarded to the Office of Human Resources.

The academic department chair is responsible for approving the timecard(s) submitted by the faculty member. The timecard(s) are forwarded to the UDRI Office of the Controller/Payroll Office for processing payment.

Extra Compensation of Employees Supported By Sponsored Research Programs, (cont.)

POLICY (continued):

Professional Research and Administrative Research Employees

The professional research and administrative research employee's request for incidental compensation is made by submission of the Incidental Compensation Request Form (ICRF) to either the UDRI Division Head and RI Director, or the Department Chair and Dean (as appropriate).

RI Division Head / RI Director or Department Chair/Dean (as appropriate)

Upon receipt of the ICRF form, the RI Division Head and RI Director (or Department Chair and Dean) are responsible for identifying when work is incidental and outside the employee's normal workload. If authorized, the form is forwarded to the Contracts and Grants Office to ensure OMB Circular A-21 requirements are fulfilled. Upon concurrence of the Contracts and Grants Administrator, a Personnel Action Form (PAF) must be initiated and authorized and forwarded to the Office of Human Resources for processing.

Office of Contracts and Grants

Upon receipt of the OCRF or ICRF forms, the Contracts and Grants Office will assure that the request for extra compensation meets OMB Circular A-21 requirements. For overload compensation requests, a request will be submitted to the sponsoring agency for approval. Sponsor-approved overload compensation requests will be returned to the Academic Chair for processing of the PAF and forwarding to the Office of Human Resources. The original OCRF and ICRF forms will be maintained in the Contracts and Grants Office, and copies will be forwarded to the requestor, the requestor's division or department, and Office of Human Resources.

Office of Human Resources

The Office of Human Resources is responsible for processing the approved PAF form for payment, maintaining a record of extra compensation payments, and ensuring that the payment rate does not exceed the institutional base salary rate.

UDRI Office of the Controller/UDRI Payroll Office

The UDRI Office of the Controller/UDRI Payroll Office is responsible for verifying that the incidental compensation for professional research and administrative research employees is not charged to a sponsored research program.

For overload compensation for the faculty member, the UDRI Controller's Office/UDRI Payroll Office is responsible for processing the timecard(s) needed to generate the overload compensation payment to the faculty member as instructed on the PAF.

Subject	Contact	Phone	Fax
Policy Questions	Vice President for Research	9-3515	9-3873
	Contracts and Grants Administrator Director,	9-2919	9-2291
	Research Institute	9-2113	9-2888
	Vice President for Human Resources	9-2554	9-2009