

STEPHEN F. AUSTIN
STATE UNIVERSITY

Office of the General Counsel

POLICY SUMMARY FORM

Policy Name: Compensation from Grants, Contracts and Other Sponsored Agreements

Policy Number: 12.1

Is this policy new, being reviewed/revised, or deleted? Review/Revise

Date of last revision, if applicable: 7/23/2019

Unit(s) Responsible for Policy Implementation: Provost and Executive Vice President for Academic Affairs

Purpose of Policy (what does it do): Established guidelines for pay to faculty and exempt staff from Grants in relation to federal and state laws.

Reason for the addition, revision, or deletion (check all that apply):

- Scheduled Review Change in law Response to audit finding
 Internal Review Other, please explain:

Please complete the appropriate section:

Specific rationale for new policy:

Specific rationale for each substantive revision: No changes.

Specific rationale for deletion of policy:

Additional Comments:

Reviewers:

Academic Affairs Policy Committee
Lorenzo Smith, Provost and Executive Vice President for Academic Affairs
Damon Derrick, General Counsel

Compensation from Grants, Contracts and Other Sponsored Agreements

Original Implementation: April 17, 2012

Last Revision: ~~July 23, 2019~~ April 12, 2022

This policy establishes guidelines for compensation paid to faculty and professional (exempt) staff from grants, contracts, and other sponsored agreements (grants) that are consistent with federal and state laws, rules and regulations and university policies and procedures.

If permitted by a specific grant and university policy, an employee may receive compensation for personal services directly related to the grant in the form of direct salary or additional compensation. The form and amount of compensation depends upon:

- the workload status of the employee (part-time or full-time);
- the type of work being performed;
- the employee status (exempt/non-exempt, faculty/staff); and
- the timing of work performed (for example, weekends, after normal work hours, and summer months).

Direct Salary

Compensation from grants is normally paid as a portion of the institutional base salary (IBS) for actual work performed on the grant from which the salary is paid. Compensated services must be performed during the project period and are captured in effort certification reporting as part of the individual's IBS. Compensation from grants can never exceed the individual's normal IBS rate of pay (2 CFR 200.430).

1. Exempt and non-exempt staff – A portion of an individual's IBS may be paid from one or more grants proportional to the effort expended on each grant agreement during the term the work is performed. Individuals paid 100% from grant funds cannot perform any institutional functions outside of their grant-related job duties. See Effort Reporting and Certification of Sponsored Activities policy (8.1).
2. Full-time Faculty - A full-time faculty member's salary may be paid from one or more grants proportional to the effort expended on each grant agreement during the academic term such work is performed. This reassigned time releases the faculty member from teaching and/or research/scholarly/creative and service activities proportional to the level of effort on the grant.

For a full-time nine-month assignment, the equivalent of 20% effort over the term is

normally devoted to research/scholarly/creative and service activities. Therefore, for purposes of compensation from grants, paid or cost-shared, a normal three-credit hour course is equivalent to 20% effort (or 0.20 FTE) and non-instructional activities are equivalent to 5% effort (or 0.05 FTE).

3. Faculty Summer Assignments - If a faculty member's teaching workload is less than 100% during a summer part of term, the faculty member may also be paid from one or more grants proportional to the effort expended, subject to the summer salary calculations outlined in Salary Supplements, Stipends and Additional Compensation policy (12.16). Faculty can earn no more than their prorated 9-month salary during the summer terms based on the combined grant salary and teaching workload assignment.

For purposes of compensation from grants (paid or cost-shared), a normal three-credit hour course in a summer part of term is equivalent to 50% effort (or 0.50 FTE) for the summer part of term.

Grant funds cannot be used during the summer months to pay for work performed during the academic year, and cannot be used to supplement institutional compensation that may be paid at a lower rate than the individual's IBS.

Additional Compensation

Additional compensation, or extra service pay, refers to salary paid in excess of the IBS for work that is clearly in addition to regularly assigned or contracted duties.

- To ensure equitable and consistent application of SFA's faculty workload policy, these guidelines apply to all sponsored project agreements regardless of the source of funding (federal, state, local government, and/or private entities).
- General requirements for payment of additional compensation are detailed in Salary Supplements, Stipends and Additional Compensation policy (12.16).
- Principal Investigators/Project Directors (PI/PD) are not eligible to receive additional compensation from their own projects.
- Non-exempt staff members are not eligible for additional compensation from grants and must be paid overtime at the appropriate rate of pay.
- Additional compensation is accounted for separately and is not captured in effort certification and reporting procedures. See the Effort Reporting and Certification for Sponsored Activities policy (8.1).
- The rate of pay shall not exceed the hourly equivalent of the individual's regular IBS. This rate is calculated using a monthly basis of 173.33 hours.

Exempt, full-time staff members may be eligible to receive additional compensation for incidental activities (task assignments) if the grant-related activities are (1) clearly

unrelated to their current duties as demonstrated by the employee's job description or other documentation; and (2) are performed outside of the employee's regular work hours.

Incidental activities (task assignments) should be based on completion of an assignment or task and are restricted to one-time services or jobs with a time commitment of one month or less.

Full-time faculty members may be eligible to receive additional compensation if the grant-related activities are for (1) intra-university consulting or for (2) incidental activities if it can be clearly demonstrated that the work is in addition to the duties detailed in the appointment contract and Faculty Workload policy 7.13 that serve as a basis for IBS.

1. Intra-university Consulting - Normally, intra-university consulting is considered to be a professional courtesy or normal university faculty obligation for which extra compensation is not paid. However, under unusual circumstances, additional compensation may be paid if all of the following conditions are met: (a) for faculty working across departmental lines or at a separate or remote location, such as outside of the Nacogdoches area; and (b) the services to be provided are essential and cannot be provided by persons receiving salary support from the sponsored agreement, or otherwise compensated for their services by the university.
2. Incidental Activities (task assignments) - If it can be demonstrated that it is crucial to the success of the project, faculty members may be paid from grants for incidental activities. Incidental activities should be based on completion of an assignment or task and are restricted to one-time services or jobs with a time commitment of one month or less.

Specific Requirements

For sponsors that allow additional compensation to be paid in the form of intra-university consulting or incidental activities, the sponsor must be informed of the intent to charge salary as additional compensation, preferably in the original budget proposal. The budget and/or project narrative of the grant or contract should clearly state:

- that additional compensation above IBS will be paid to university employees;
- the name or position of the individuals who will be receiving additional compensation; and
- the work and services to be performed by these individuals.

In addition, the amount of the additional compensation should be segregated from regular salary expenses and the budget justification should clearly indicate:

- the total dollar amount of additional compensation requested;
- the percent of additional effort committed to the project, or the hourly rate and number of hours committed to the project; and
- the appropriate fringe benefits.

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.

Since fixed amount awards are performance based and generally do not require a sponsor-approved budget detail, additional compensation from these projects requires adequate justification from the employee's supervisor. Such requests should be included in the internal budget submitted as part of the proposal clearance process.

Responsibility for Compliance

1. Individuals requesting additional compensation are required to certify that they meet the eligibility requirements by signing the ORGS Additional Compensation Verification form. They also must provide assurance to their immediate supervisor that the work to be performed will not interfere with performance of regular responsibilities.
2. Principal Investigators (PI)/Project Directors (PD) are responsible for assessing and determining if additional compensation is appropriate, is allowed by the sponsor, and follows university policies and procedures. The PI/PD is responsible for initiating internal forms for employee eligibility certification, institutional approval, and payment. PIs/PDs are not eligible to receive additional compensation from their own projects.
3. Department Chairs/Division Directors/Deans are responsible for carefully analyzing the total university commitments of the employee who requests additional compensation from grants to confirm that the work is outside of the employee's contractual obligations to the university. The dean routes the Authorization for Additional Compensation Services form and the ORGS Additional Compensation Verification form to ORGS to verify eligibility and sponsor approval.
4. Office of Research and Graduate Studies is responsible for verifying additional compensation approval with the sponsor, either in the form of an approved grant application as submitted, or in the language of the grant, by approved amendment, or from subsequent written correspondence from the sponsor's contracting official.
5. Human Resources is responsible for confirming that the individual has not exceeded the maximum additional compensation limits as outlined in the Salary Supplements,

Stipend, and Additional Compensation policy (12.16) and that the IBS rate of pay has not been exceeded.

Remedies for Non-Compliance

In the event that repayment of additional compensation paid from grant funds is required by a sponsoring agency, auditor, or other authorized entity, the academic unit with managerial oversight of the sponsored agreement in question is responsible for repayment using departmental or college resources. This includes instances where administrative and/or sponsor approvals were not obtained in advance.

Cross Reference: 2 C.F.R. § 200.430; Uniform Grant Management Standards for Texas, UGMS; Distance Education Faculty Competencies and Compensation (7.9); Effort Reporting and Certification for Sponsored Activities (8.1); Faculty Workload (7.13); Outside Employment (11.19); Off-campus Credit Courses (5.13); Grants and Contracts Administration (8.3); Faculty Compensation (12.6); Summer Teaching Appointments (7.28); ~~Salary Supplements, Stipends and~~ Additional Compensation (12.16) .

Responsible for Implementation: Provost and Executive Vice President for Academic Affairs

Contact for Revision: Dean, Office of Research and Graduate Studies

Forms: Authorization for Additional Compensation Services and Authorization for Additional Compensation Payment (Human Resources website); Additional Compensation Verification (ORGS website).

Board Committee Assignment: Academic and Student Affairs