

*UNIVERSITY GUIDEBOOK*

**Subject: Supplemental Pay from Grants and Sponsored Programs for Faculty, Professional, and Administrative Staff**

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**Policy:** Assignment of duties associated with externally-funded grants and contracts are intended to enable the University and its employees to participate in scholarly, creative activities. On occasion, it is necessary and appropriate to have employees perform services above and beyond their normal scope of duties and to pay employees for these additional services.

RESOLUTION NUMBER: YR 2009-

**Background:** This policy compliments the following Board Policies:

- # 7023.01 - Supplementary Pay for Staff
- # 7023.02 - Payment to Employees Serving as University Consultants

**Definition:** Supplementary payment compensation is defined here for faculty and for professional/administrative staff. For classified civil service staff, this issue is dealt with under a separate Board policy and follows the guidelines of the Fair Labor Standards Act.

**Parameters:** **Assignment of duties** associated with externally-funded grants and contracts is intended to enable the University and its employees to participate in scholarly, creative activities. The Sponsors of grant awards impose guidelines and compliance requirements which are designed to serve their stakeholders and/or taxpayer public interests. All supplemental payment requests from external sponsors (through the Office of Grants and Sponsored Programs) must be pre-approved prior to the inception of the activities for which compensation is sought. The parameters and criteria defining the salary rate structure are determined by University policy, including Trustee policies and collective bargaining agreements, as well as Federal compliance regulations.

**I. Payment to Faculty:**

- **YSU-OEA Agreement, Article 24.1 (Faculty Development and Research) External Funding:** Faculty members who receive grants for research and other activities which subsidize a portion of the faculty member's salary shall receive a workload reallocation (i.e., re-assigned teaching time) providing such specific arrangements were approved by the provost prior to the submission of the grant proposal.
- **Excerpt from Federal regulation OMB A-21.** Supplemental pay compensation must be reasonable. The U.S. Office of Management and Budget Circular A-21 – “Principles for

Determining Costs Applicable to Grants, Contracts, and Other Agreements with Educational Institutions” reads:

“The pay level for salary rates for periods during and outside the Academic Year: Under current regulations, faculty compensation on sponsored program appointments may never exceed the institutionally-established base salary, excluding incidental work, for regular employees serving on sponsored programs.” (Please note that this phrase should be interpreted to read as: “except for” Incidental Work.)

YSU accepts the federal **Definition of Incidental Work** as “any work in excess of normal for the individual, for which supplemental compensation is paid by the institution under institutional policy.” To be consistent with the faculty Collective Bargaining Agreement (CBA) between YSU and YSU-OEA, compensation for “incidental work” is at the equivalent rate as “Overload Pay” (as currently described in Article 4.7 of the CBA, August 18, 2008 – August 17, 2011). “**Overload**” refers to those activities beyond the standard 24 workload hours during an academic year that are normally assigned. Based on CBA language, for overload, 12 workload hours are equivalent to the normal workload of a full-time faculty member normally employed for 40 hours/week.

- **Faculty salary rate structure (for federal and state grants):**
  - During the academic year, external grant funds will be used to provide workload reallocation (or reassigned time). On rare occasion, a faculty member is permitted to receive supplementary pay, for project activities that do not overlap with regular workload assignments or other grant related activities with appropriate documentation. Additional compensation can only be provided for those activities defined as “incidental work”, as described above and shall be paid at a rate consistent with standard overload pay. “**Overload**” refers to those activities beyond the standard 24 workload hours during an academic year that are normally assigned. Therefore, for supplemental compensation during an academic year, activities beyond the standard 24 workload hours are permitted at a rate established as the dollar amount per workload hour (as described in the current YSU/YSU-OEA CBA).
  - During summer months, YSU faculty are typically only paid for teaching duties, as there is no reassigned time for research. Dependent upon the guidelines of the federal grant sponsors, faculty may receive up to 3 months of salary (not counting summer vacation). These payments are to be paid at a rate dependent upon the individual’s pro-rated base salary; this rate structure may not exceed the University-established base salary (according to OMB Circular A-21). The YSU/YSU-OEA CBA specifies a maximum of 9 teaching hours to be full-time for summer. For payment purposes in the summer, 9 workload hours is considered full time; with the 9 hours being a combination of teaching hours plus research hours (hence, 3 credit hours is the equivalent of 1 month in the summer). Any additional compensation is based on the overload rate described above, for grant project activities with appropriate documentation.

- **Payments from private sources including businesses:** There are no upper salary rate limits on payments received from the private business sector. However, the payments may not be at a rate less than that charged to federal grants and contracts. During the academic year, these sponsor funds will first be used to cover re-assigned teaching time. As a guide, additional compensation during the academic year or summer will use a *minimum* of the pro-rated annual salary or the overload rate (described above). The Sponsored Program Agreement with a company must be pre-approved and finalized through the Associate Provost for Research. Specific duties involving this compensation cannot be the same or overlap with those of an existing, concurrent external grant project.
- The “Academic Affairs Policy for Supplemental Pay for Research Active Faculty” is incorporated by reference and available at the School of Graduate Studies and Research. (append)

## **II. Payment to Professional/Administrative Staff:**

- Under most circumstances, these individuals may not be eligible for any supplemental pay, since these employees have 12-month full-time appointments or "salaried" positions. Administrative staff cannot request supplemental pay compensation for any function that is part of their job description and duties. Therefore, they are not eligible for additional compensation for externally-funded activities, except when those activities may be classified as incidental work and are unrelated to their current duties.
- In rare circumstances, when supplemental compensation may be paid, the rate of pay will be based on a pro-rated or the equivalent hourly basis. Compensation is permitted and shall be based, up to a maximum of 20% of the earned annual salary. The specific duties and timeline, on the externally-funded grant or contract must be detailed clearly and pre-approved.
- **Department Chairs:**
  - (i) Department Chairs (having 12-month appointments) may wish to undertake grant-funded work that can generate supplemental pay during the summer terms. Chairs are permitted to receive 3 workload hours of salary at their respective faculty rate, or in combination, the sponsor funds can be used to buy out the reassigned teaching duties.
  - (ii) During the academic year, funds from external sponsors may be used to supplant the teaching obligations (as reassigned time) of the Chairs. Chairs may receive supplemental pay for incidental work for project activities during evenings and on weekends, with appropriate documentation.

## **Procedures:**

- 1. Requests to make and/or receive supplemental compensation, from an external grant or sponsored program, must be pre-approved prior to any work being**

**assigned or undertaken.** The request for payment must be a justifiable expenditure, as documented in the formal grant budget awarded by the external sponsoring agency. In all cases, supplemental compensation to faculty, administrative staff and department chairs is subject to the approval by their respective Dean, Unit head, VP, or the Provost. The principal investigator (PI) authorizes payment to an employee on a form (Request for Grant-Funded Supplemental Pay), which must be submitted to the Associate Provost for Research for pre-approval, prior to any grant work being initiated.

2. Both the PI and the payee attest that the activities for supplemental compensation were performed as described. The PI and payee are expected to document their times spent on federally funded grant activities, as instructed by the Office of Grants Accounting. The University will develop and maintain the necessary administrative procedures to process and manage supplemental payments.