



SAINT LOUIS  
UNIVERSITY

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## Supplemental Pay for Faculty on Sponsored Programs

**Policy Number:** RA-011

**Classification:** Research Administration

**Responsible University Office:**

Vice President for Research

**Version Number:** 2.0

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### 1.0 INTRODUCTION

Faculty, either tenured, tenure-track, or non-tenure track, are recognized as experts in their fields and may, at times, be called upon to provide services for external institutions, companies, or agencies. Therefore, situations may arise in which faculty could be eligible to receive additional pay over and above their University contract. Although the conditions where supplemental pay for faculty effort is rare, there are circumstances where such payments are appropriate and allowable as direct costs to a related sponsored award.

### 2.0 PURPOSE

This policy is intended to clarify and outline the instances in which faculty may receive pay over and above their 100% effort contract salaries from externally sponsored programs. Such pay will be considered Supplemental pay and is to be guided by OMB Circulars, and the University's policies and procedures related to non-grant funds.

### 3.0 APPLICABILITY

These guidelines are effective for all faculty in any School, College, or department at the University whose salary is supported by externally sponsored programs.

### 4.0 DEFINITIONS

**4.1 Supplemental Pay:** Pay that is over and above **Institutional Base salary** and is regarded as compensating effort beyond the scope of regular duties for a faculty member. Supplemental pay is only related to Sponsored Awards.

**4.2 Additive Pay:** Pay that is over and above the **Institutional Base Salary** and is regarded as compensating effort beyond the scope of regular duties for a faculty member. At SLU, additive pay will be referred to only when related to non-sponsored funds.

**4.3 Consulting:** Work performed for external organizations that is neither specified in the University's contract with faculty members nor paid through the University. See the *Faculty Manual*, Sec. III.G.6.

**4.4 Intra-University Consulting:** Consulting by a faculty member that is beyond the scope of his/her regular departmental duties and is performed across departmental lines or involving a separate or remote University operation. This is normally considered part of University resources and falls in the faculty members **Total Professional Effort** and is not eligible for **supplemental pay**

**4.5 Contract, Faculty:** The document that specifies the faculty member's period of performance, duties, and base salary.

**4.6 Contract Period:** The period of performance specified in the faculty contract.

**4.7 Contract Salary:** The total salary specified within the faculty contract. This includes the regular academic-year salary plus any contractually stated supplements for additional responsibilities (e.g., an administrative assignment). Also referred to as **Institutional Base Salary**.

**4.8 Faculty Member:** Any University employee who receives a contract for specific academic services (i.e., teaching, research, and/or service).

**4.9 Full-time Faculty:** Faculty who receive a contract for 9, 10, 11, or 12 months of continual service during the academic year for carrying out specific responsibilities within a department or unit, including teaching, research, and administrative or other duties.

**4.10 Sponsored Awards:** Funds provided to the University by an external source in support of a specific research project or scholarly activity for which there is a detailed budget and expected outcomes. These can be either public (governmental) or private (non-governmental) funds.

**4.11 Incidental Pay:** Incidental Pay is payments made to employees of the University who are compensated for activities done outside the scope of their Total Professional Effort and Institutional Base Salary. Incidental pay is minimal, infrequent in nature and outside the scope of the employee's normal University role. An activity that qualifies for incidental pay may be related to skills, certifications, or licenses the employee has obtained but does not utilize in their normal course of their University business.

Incidental pay is not considered part of the calculation of effort and would be paid in addition to their IBS. Supplemental pay on sponsored awards is not incidental pay and is not included in their effort calculation but is included on the effort report.

**4.12 Institutional Base Salary:** Institutional Base Salary is the total compensation paid to an employee for all professional activities they provide to the University within their appointment(s). These activities include instruction, research, clinical, and administrative. This does not include incentive pay or bonuses.

**4.13 Total Professional Effort:** Total Professional Effort is based on an employee's total activity within her or his University appointment and includes all research, teaching, clinical service, and administrative duties the employee performs. Effort is not based on a 40-hour workweek, nor is it based on full time equivalent (FTE). Effort always equals 100%. Part-time personnel should report 100% effort on the Effort Verification Report ("EVR") regardless of what FTE the appointment represents. Personnel who work more than 40 hours per week should report 100% effort on the EVR regardless of how many hours they work.

**4.14 Summer Salary:** Salary paid during the summer months for work done outside of the normal contract period. Faculty with 12 month appointments would not be eligible for summer salary since they work all 12 months. Faculty with 12/9<sup>ths</sup> appointments would be eligible since they would have effort available.

**4.15 Incentive Pay:** Incentive pay is bonuses paid based on specific performance as outlined in an employment agreement. An employee's **Institutional Base Salary** is not affected by incentive pay, and incentive pay is not paid from grant funds unless specifically allowed in the grant agreement. Incentive pay is not included in the calculation of effort but reported on the effort report..

**4.16 Overload:** Additional services that are considered substantially outside of, or a substantial increase to the faculty member's regular duties. Overload is within the scope of the faculty member's regular duties (for example, instruction), performed during the faculty member's normal contract period, is planned, and is compensated based on the University's Additive Pay Policy. Summer Salary is not overload, it is summer salary.

## 5.0 POLICY

**5.1 Summer Salary:** Faculty members on 9-, 10-, or 11-month contracts may receive **Summer Salary** on externally sponsored programs for periods in which their contracts are not in effect. These periods will be considered "Summer Salary" in nature, even if they do not occur during the summer months. For example, a faculty member with a 9-month contract, August through May, may receive summer salary during the summer break. Summer Salary is subject to the rules and regulations of the sponsoring agency. The faculty effort related to the sponsored award must occur in the period salary is being requested.

The following conditions must be met in order for faculty members to receive Summer Salary on sponsored programs:

- Requests for summer salary must be included in the original proposal budget to the external agency and must be identified as being pay outside of the regular contract period.
- Summer salary for NSF Awards must follow NSF's "2/9<sup>th</sup>s" guidance even if the time period the salary is requested for is not during the summer months. Other sponsors may pay up to 3 months of summer salary. Faculty are not eligible for summer salary unless they actually worked during the period they are requesting summer pay.
- Funds from external sources for supplemental pay from grants, contracts, or agreements must be paid to the University. The University will pay the faculty member through its regular payroll system for the summer salary pay.
- Business and Finance must ensure that summer salary for periods outside the base contract period is charged to the proper Banner account code. The proper account code usage is essential for accurate effort reporting.
- Pay for these periods must be based on the faculty member's contract salary.

Example #1: Dr. X has a 9-month contract for \$90,000 from August 15 through May 15, and she requests payment from an NSF grant for June and July\* to work on her project. *Her request would be for 1/9 of her annual contract salary for each month as summer salary.*

\*Note: If the request crosses two fiscal years, salary would be requested at the rate applicable to each year. In Example #1, because Dr. X requested the months of June and July, and the University's fiscal year begins on July 1, the month of June would be calculated based on her contract salary for the fiscal year salary ending June 30, and her July salary would be calculated based on her estimated contract salary for the fiscal year beginning July 1.

Example #2: Dr. Y has an 11-month contract for \$100,000 from July 1 through May 31, and he requests one summer month (June) to work on an NIH-sponsored research project. *His request for summer salary would be for 1/11 of his salary, or \$9,091 for the month of June.*

- The treatment of the supplemental pay and related activities must be consistent with the University's treatment with non-grant funds.

**5.2 Overload (Supplemental Pay):** Faculty may be eligible for additional pay (supplemental) when an overload situation occurs. To be qualified, the circumstances of the overload must be appropriately documented, be included and separately set out in the proposal, be set out in the award agreement with the terms "supplemental" or "on a supplemental basis", and approved by the faculty's Chair, Dean, and Provost.

Faculty members may receive supplemental pay from an externally sponsored program on an overload basis for work during the period covered by their academic year contract if *all* of the following conditions are met:

- The additional work is substantially outside of, or a substantial increase to the faculty member's regular duties
- The faculty member has obtained the written approval of his/her chair and dean for the additional work.
- For a grant, subcontract, or agreement through Saint Louis University from an external source (e.g., government agency), the budget and scope of work must have been approved by an authorized University official and approved with the original budget proposed to the funding agency.
- The overload pay was clearly detailed in the proposal, approved by the agency's contracting official, and included in the original funded budget. The term "supplemental" or "on a supplemental basis" should be used in the grant agreement or authorizing document.
- If not approved in the original funded budget, written approval from the agency's contracting official has been obtained prior to performance of the additional work and prior to the request for the overload payment.
- The employee would be eligible for the overload pay for the related activities whether or not it is being paid from grant funds.
- Documentation must exist and be reproducible that supports the conditions that lead to the overload pay.
- The overload payments may have to be prorated between sponsored activity and University activity depending on the circumstances of the situation.

**5.2 Consulting (Supplemental Pay):** According to OMB Circular A-21, intra-University consulting is assumed to be undertaken as a University obligation requiring no compensation in addition to full-time base salary. The exception to this is an unusual and rare case in which consultation is across departmental lines or involves a separate or remote operation **and** the work performed by the faculty member is in addition to his/her regular departmental load (i.e., exceeding 100% effort). In most cases this work would be substantially more than the norm and without any offsetting consideration from the faculty members other duties from the institution. In cases such as these, charges for work over and above regular compensation are allowable provided they are consistent with the compensation policies of Saint Louis University and are specifically provided for in the agreement or approved in writing in advance by the sponsoring agency. In addition, the authorization should use the terms “Supplemental” or “on a Supplemental basis.”

Some Federal sponsors have established caps for consulting payments which must be adhered to. Payments for consulting may not exceed the faculty member’s actual rate of pay or the sponsor cap, whichever is lower.

A faculty member may receive supplemental pay only if **all** of the following conditions are met:

- The services for the department other than the home department of the faculty member are considered substantially outside of, or a substantial increase to the faculty member’s regular duties.
- The services and scope of work were approved in the original grant, contract, or agreement budget by the agency contracting official; or, if not approved in the original proposal, and grant agreement the supplemental pay for these services has received written approval from the agency’s contracting official prior to performance of the additional work and prior to the request for payment. The term “supplemental” or “on a supplemental Basis” should be used in the grant agreement or authorizing document.
- The services are considered reasonable, allowable, and allocable to the project.
- Charges are based on the faculty member’s contract salary and calculated at the same rate of pay.
- The faculty member has obtained the written approval of his/her chair and dean for the additional work.

- Documentation must exist and be reproducible that supports the conditions that lead to the supplemental pay.

## **6.0 RESPONSIBILITIES**

Faculty members are responsible for ensuring that supplemental pay is correctly identified in any applications for external funding. They are responsible for documenting the conditions that qualify for supplemental pay and providing the documentation to the Office of Sponsored Programs to be added to the grants permanent file.

Faculty members must verify the correct calculation of supplemental pay amounts and must obtain all approvals listed above, including chair, dean, external agency contracting officer, and other University officials as appropriate (i.e., Provost's Office).

Faculty members are responsible for accurate reporting of effort for work performed on externally funded grants or contracts, including pay received during summer months or supplemental pay during the period covered by their academic year contracts.

## **7.0 PROCEDURES**

Once the faculty member has received a notice of grant award, or other authorization document from an external sponsor that contains the terms "Supplemental" or "on a supplemental basis", they should submit a request for supplemental pay to the Provost office.

All requests for supplemental pay for faculty members must be approved by the specific fund administrator or business manager and the Provost's Office. In order to receive supplemental pay, the faculty member will submit a clear justification for the additional pay and a Memorandum of Agreement (MOA) for an additional assignment to the Provost's Office for approval. When approved, the faculty member's business manager or administrative person will complete an Electronic Personnel Action Form (EPAF) for the additional assignment.\* Appropriate account codes must be used for the supplemental pay.

When the period of the additional assignment is completed (i.e., the supplemental pay is to be stopped), the business manager or administrative person will complete an "End Job" EPAF to terminate the supplemental assignment.

\*Note: Departments must have a position number for supplemental pay for this purpose.

## 8.0 SANCTIONS

Failure to comply with this policy may result in the denial of supplemental pay, and/or payback of funds to external sponsors. Institutions that violate supplemental pay rules are subject to fines and further sanctions from sponsors.

## 9.0 REFERENCES

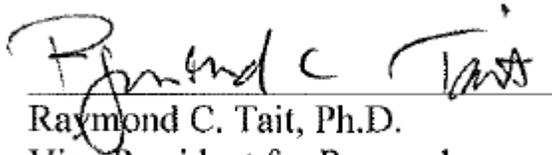
This policy is in compliance with OMB Circular A-21, sections 8.d. and 8.e, NIH Grants Policy Statement on Salaries and Wages, and NSF OIG Guidance on overload compensation.

## APPROVAL SIGNATURES

This policy was developed by:

The Office of the Vice President for Research

It has been reviewed and approved by:

 Raymond C. Tait, Ph.D. Vice President for Research Saint Louis University	January 1, 2010 Date
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## REVISION HISTORY

EFFECTIVE DATE	VERSION NUMBER	MODIFICATION
August 1, 2009	1.0	New Document
January 1, 2010	2.0	Updated