

East Tennessee State University

Policy Title: Personnel Compensation on Sponsored Projects

Issued: 4/30/14

Responsible Official: Vice Provost for Research and Sponsored Programs

Responsible Office: Office of Research and Sponsored Programs

Policy Statement

Personnel costs on ETSU sponsored projects will be budgeted and charged to the sponsored project commensurate with the individual's committed ETSU effort on the project and at their established institutional base rate of pay. Under no circumstances will personnel charges to sponsored projects exceed the proportionate share of the base salary for that period. Personnel charges on sponsored projects replace, not supplement, the existing pay source.

The salaries of administrative and clerical staff should normally be treated as indirect (F&A) costs. Direct charging of these costs may be appropriate only if all of the following conditions are met:

- (1) Administrative or clerical services are integral to a project or activity;
- (2) Individuals involved can be specifically identified with the project or activity;
- (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- (4) The costs are not also recovered as indirect costs.

Faculty members with 9 month appointments can earn up to 33% of their academic year salary as additional pay, or "**summer salary**", when there is a commitment of 100% effort during the summer (3 full-time months). Under no circumstances will this "summer salary" be paid for effort expended on a sponsored project during the academic year.

Intra-institutional consulting by ETSU faculty members is assumed to be undertaken as a university obligation requiring no additional compensation. Only in unusual cases when consultation is *across departmental lines* and the work performed by the consultant is clearly *outside of the scope of their academic appointment and in addition to his/her regular departmental load* will additional pay be allowed and only when such consulting arrangements are specifically budgeted for in the proposal and approved in writing by the sponsoring agency.

By nature, work and services performed for additional pay must be short-term in duration (less than six months). Faculty members making long-term commitments to sponsored projects should be considered "key personnel," and be compensated accordingly.

In all cases, the request and nature of the additional pay (summer salary or intra-institutional consulting) must be allowed by sponsoring agency. The award document from the sponsoring agency must state that additional pay is allowed or imply that the proposal was accepted with no alterations regarding the request for additional pay.

Purpose

The purpose and intent of this policy is to provide specific guidelines for the compensation of ETSU personnel on sponsored project accounts in accordance with the standards set forth in 2 CFR 200.430.

Definitions	
Additional Pay	Additional pay refers to salary paid in addition to the base appointment salary for work that is clearly in addition to regularly assigned duties and responsibilities.
Effort/Percent Effort	ETSU faculty and staff identified as paid personnel on sponsored projects are expected to commit a percentage of their (100%) institutional effort to the project. This percent effort or effort commitment should be commensurate with the percent of institutional time and effort spent, or to be spent, on the project.
Institutional Base Salary/Rate of Pay	The annual compensation paid by ETSU for an employee’s appointment, whether that individual’s time is spent on research, teaching, patient care, or other activities. Base salary excludes any income that an individual may be permitted to earn outside of duties to ETSU, including clinical income and income from a joint appointment with the VA. In addition, base salary is exclusive of longevity, stipends, and additional salary for temporary or additional duties.
Intra-institutional consulting	Intra-institutional consulting is when a faculty member functions as a consultant or otherwise contributes to a sponsored project conducted by another faculty member of the same institution.
Summer Compensation	Compensation for work performed during the summer term for academic year/9-month faculty. Compensation is based on prior academic-year salary (see TBR 5:02:04:10).
Procedures	
	<p>Personnel commitments to sponsored projects should be clearly described in the proposal. Any summer salary and/or additional pay for intra-institutional consulting should be specifically budgeted and justified.</p> <p>After the award is received, the PI should initiate all requests for personnel payments on sponsored projects. The award document from the sponsoring agency must state that additional compensation is allowed or imply that the proposal was accepted with no alterations regarding the request for additional compensation.</p> <p>Committed institutional effort from the proposal will be used to generate the “Fiscal Year Salary Allocation” request. Requests for summer salary and/or additional pay for intra-institutional consulting should be requested using the Request for Additional Pay on Sponsored Projects form.</p> <p>All additional compensation requests are reviewed by ORSPA to assure that agency approval and approval of the Vice Provost for Research have been obtained.</p>
Roles and Responsibilities	

Principal Investigator/Project Director	Funds used for additional pay from the direct costs of a sponsored project must be used only with the sponsor's approval. If sponsored funds are used to pay a portion of the additional compensation, the funds should be included in the grant proposal as direct costs and the PI shall obtain the approval of the sponsor. The PI initiates all requests for compensation on sponsored projects. This includes the initiation of the Fiscal Year Salary Allocation form for the allocation of regular salary to the sponsored project account as well as any request for extra compensation.
Department/College	Department heads and deans shall carefully analyze the total professional commitments - including outside consulting - of the faculty member requesting additional pay. Requests to engage in activities outside of the employee's established institutional responsibilities that warrant additional pay should be approved only if the employee's and the department's instructional, outreach, and research programs will not be adversely affected.
Office of Research and Sponsored Programs Administration	ORSPA verifies written approval from the sponsor, either in the form of an approved grant application, by approved amendment, or subsequent written correspondence from the sponsor's contracting official.
Human Resources	HR confirms that the individual has not exceeded the maximum compensation limits as outlined in policy.

Related Forms

Links

[2 CFR 200.430](#)

Revision Dates

11/4/15; 4/24/15

Subject Areas

Academic	Research	Finance	Human Resources
✓	✓	✓	✓