

**NORTHERN NEW MEXICO COLLEGE  
ADMINISTRATIVE POLICY**

<b>Subject:</b>	Compensation from Sponsored Programs Policy
<b>File Reference:</b>	1.20
<b>Date Approved by Board of Regents:</b>	February 17, 2011
<b>Replaces Policy Approved On:</b>	N/A
<b>Purpose:</b>	<p>The purpose of the Employee Compensation from Sponsored Programs Policy is to ensure that the College is in compliance with all appropriate Federal requirements while also providing a policy and practice framework that (a) appropriately and fairly compensates faculty and staff for grant-related work, (b) provides incentives for faculty and staff sponsored programs activity, and (c) attempts to provide flexibility to managers of both academic and non-academic units faced with budget constraints and limited numbers of employees. The College recognizes the vital role played by sponsored programs in the development of institutional capabilities, the enhancement of the skills and knowledge of staff and faculty, the creation of new knowledge that benefits our students specifically and the academic enterprise generally, and the furtherance of the mission, vision, goals and strategic priorities of the College.</p>
<b>Policy:</b>	<p>This policy recognizes the standards established by OMB Circular A-21 <a href="http://www.whitehouse.gov/omb/circulars_a021_2004">http://www.whitehouse.gov/omb/circulars_a021_2004</a>, and adheres to the compensation-related policies and regulations of the specific Federal funding agencies whose regulations further refine and/or interpret the guidance in Circular A-21. Foremost among these agencies are the U.S. Department of Education (<a href="http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html">http://www2.ed.gov/policy/fund/reg/edgarReg/edgar.html</a>) and the National Science Foundation (<a href="http://nsf.gov/pubs/policydocs/pappguide/nsf11001/aag_index.jsp?org=NSF">http://nsf.gov/pubs/policydocs/pappguide/nsf11001/aag_index.jsp?org=NSF</a>). This policy also recognizes the authority granted to the grantee institution via the approved grant application, guidance from agency officials (program officers), and specific regulatory directives of the relevant funding program.</p> <p><b>Policy Statement: Supplemental Employment/Compensation</b></p> <p>Supplemental compensation may be paid to faculty and staff acting in the capacity of a professional/faculty employee for an additional assignment, providing that assignment is (1) clearly outside the scope of that person's regular teaching, research and service responsibilities; and (2) does not</p>

interfere with those responsibilities. The appropriate chair, dean and the Provost must approve such time in advance. Additional compensation is submitted for approval by the completion of a PAN Request Form with all appropriate approvals. This compensation may be authorized in addition to regular salary for exempt employees. Supplemental compensation will not be paid solely on the basis that the salary has been budgeted into the agreement.

### **Supplemental Employment Guidelines:**

These compensation guidelines are applicable only to faculty, or those staff acting in the capacity of a professional/faculty employee; and, applicable only to employees currently employed during the period when the supplemental compensation was earned.

The rate of pay for employees compensated via a sponsored program should not exceed the employee's current rate of pay in the employee's primary job assignment. Under those special circumstances where a request exceeds the employee's rate of pay, a special memo of justification approved by the Office of the Provost must be attached to the PAN Request form. Hours worked (a) should not exceed a reasonable percentage of full-time hours; and (b) must be properly documented per grant/contract requirements.

Only in unusual cases may an exempt staff and faculty member be paid to work on a grant or contract, as consultants or otherwise, if that effort results in payment in excess of 100% FTE unless specifically provided for, as supplemental compensation, in the approved application or approved in writing by the sponsoring agency. For federal grants and contracts, approval will normally be granted only if two conditions exist: the work is across departmental lines or involves a separate or remote location and the work performed by the employee is in addition to the regular departmental workload. Additionally, the chair, dean and Provost must determine that such "overload" compensation is necessary by virtue of the employee possessing the unique expertise required to carry out the funded activities of the sponsored program agreement.

Faculty members who assume clearly definable additional duties related to externally funded sponsored projects and who are to be paid 100% from sponsored program funds may request to have their monthly base salary rate adjusted to adequately compensate them for the additional duties.

### **Faculty Compensation from Sponsored Projects: Academic Year Effort:**

Generally, faculty may not receive more than their regular annual salary as a result of participation in sponsored projects during the academic year. Some sponsors will reimburse the college for a portion of a faculty member's academic year salary when the sponsored project is carried out during the academic year. This does not increase the faculty member's salary, but generally helps the institution recover a portion of the salary expenses that are

allocable to the sponsored project. This is commonly referred to as a "buy-out" of the faculty member's time by the grant (or can take the form of a "course buy out") to complete the work of the project. Salary replacement funds provided by grants shall be returned to the College's general fund. In those cases where the sponsored program assignment is unrelated to the individual's faculty assignment and responsibilities (e.g., where the work is managerial in nature, or requires tasks not delineated in the faculty contract or bargaining agreement), such work may be compensated using sponsored program funds provided such compensation does not exceed 150% of the faculty member's base salary for that academic year.

**Faculty Compensation from Sponsored Projects: Summer Effort:**

A faculty member may be paid summer salary (supplemental pay over and above the academic year salary) for effort contributed to a sponsored project during the three-month summer period. Charges are based on the same monthly base rate of pay as during the academic year. For example, a faculty member with a \$45,000 9-month contract who is conducting sponsored programs work during the summer can be compensated an additional \$15,000 (three-ninths of the annual contact amount) if the project work and funding support that level of compensation. Summer salary chargeable to grants and contracts is limited to that effort actually expended on the project. Summer salary cannot be paid for effort expended during the academic year.

**Compensation from Sponsored Projects: 12-Month Faculty, Administrators, and Staff:**

12-month employees performing work on sponsored projects are generally not eligible to receive pay beyond their regular compensation. In rare instances where the work meets the federal criteria for intra-college consulting (work must be clearly distinct from their normal duties and occur outside of their normal work hours or during a period for which the individual has used accrued leave) during the period for which they request supplemental pay. Requests must be approved by the individual's Supervisor, the Provost and Human Resources in consultation with the Office of Sponsored Programs.

Federal Policy: OMB Circular A-21 J.10.d (1) (Cost Principles of Educational Institutions - Compensation for Personnel Services) states: 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. In unusual cases where consulting is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his/her regular departmental load, any charges for such work representing additional compensation above the institutional

base salary are allowable provided that such consulting arrangements are specifically provided for in the agreement or provided in writing by the sponsoring agency. An employee providing consulting services within their primary department is ineligible for additional compensation (OMB Circular A-21). An employee who is an investigator on a sponsored project cannot be compensated for intra-university consulting on that project.

**Administrative Support Costs Charged to Sponsored Projects:**

Because administrative support is generally designated under OMB Circular A-21 as being part of our indirect costs, administrative support salaries should not be directly charged to federal grants (supplemental or otherwise), unless – as specified in A-21 – these costs are engendered by a “major project,” and the level of administrative support required by the project is clearly excessive relative to the existing capabilities of the department or unit managing the project.

**Procedures:**