

Policies, Procedures, and Guidelines

Extra Compensation on Contracts and Grants

PURPOSE:

These guidelines are provided specifically for the payment of additional compensation from contracts and grants (projects) for work in excess of the established FTE for the position.

- To comply with federal and state regulations regarding compensation
- To allow personnel to be compensated appropriately for approved additional work
- To prevent over-compensation on contract and grant project accounts
- To provide a mechanism for processing extra compensation efficiently

The approval of additional compensation on projects will be provided only under the conditions established in the policy above and these guidelines, and must be obtained prior to commencement of work. These guidelines apply to all projects regardless of funding source (federal, state or local government, private funding, etc.) and whether the project is cost-reimbursable or fixed price.

EXCEPTIONS:

Principal Investigators (PIs) and Co-principal Investigators (Co-PIs) are ineligible to receive additional compensation on federal, State, Local, government, private or federal flow-through grants. Internal Awards, Convenience funds and Research Initiatives (RIA) accounts may not be used to pay additional compensation under any circumstances.

PROCESS:

The Office of Management and Budget's 2 CFR 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, places restrictions on extra compensation paid from projects sponsored with federal funds. Extra compensation paid in whole or in part from federally-funded projects represents overload compensation subject to institutional compensation policies for service or activities above and beyond the established FTE of the position. Therefore, in accordance with 2 CFR §200.430(h)(4), extra service pay on federal grants is only allowable when all of the following conditions are met:

1. Consultation is across department lines or involves a separate/remote operation.
2. The work performed is in addition to the faculty member's regular department assignment.

Note: A detailed written description of the individual's regular department assignment must be submitted for Sponsored Research's review; this documentation must be specific enough for Sponsored Research to determine *conclusively* when work beyond that level has occurred. These regular university duties and/or assignments may be described in appointment letters, job descriptions, or other documentation.

3. The work performed cannot conflict with the faculty member's regular university duties and assignments.
4. The terms are specifically provided for in the contract/grant agreement, have been approved in writing by the sponsoring agency, or have been approved in writing by the appropriate USF responsible authorities (*e.g.*, the Dean, Associate Dean of Research, or the Chair).

"Principal Investigators and Co-Principal Investigators are not permitted to earn extra compensation on Federal or Non-Federal grants."

Obtain permission prior to beginning work.

A. Proposal Stage

1. The Principal Investigator should review these policies and procedures for Extra Compensation on Contracts and Grants to assure that any additional compensation being requested in a proposal to a Sponsoring Agency is in compliance with State and Federal regulations and University Policies and Procedures. In addition, the Principal Investigator should determine from the Sponsoring Agency that it approves of extra compensation for the project in accordance with, 2 CFR §200.430(h)(4), and USF policies and procedures concerning said compensation.
2. The PI must include the following information in the proposal:
 - a. That additional compensation may be paid from awarded funds to University employees in accordance with, 2 CFR §200.430(h)(4), and USF Policies and Procedures concerning said compensation.
 - b. When possible, the individuals (by name or position) who will be receiving additional compensation and the amount of that compensation;
 - c. The work and services to be performed by these individuals.

B. Award Stage

1. Approval - The terms are specifically provided for in the contract/grant agreement, have been approved in writing by the sponsoring agency, or have been approved in writing by the appropriate USF responsible authorities (*e.g.*, the Dean, Associate Dean of Research, or the Chair)

If extra compensation is approved by the sponsor and is in compliance with University, State and Federal policies, the Principal Investigator should submit a Request for Extra Compensation Form (<https://www.usf.edu/provost/faculty/forms-policies-handbook.aspx>) to the Division of Sponsored Research (SRA) for each person receiving extra compensation

from the project (PIs and Co-PIs are not eligible to receive extra compensation on Federal and Non Federal projects).

C. **Obtaining Permission after Grant is Awarded**

1. If the grant is awarded without reference to Extra Compensation, the PI must have written permission from sponsoring agency, or have been approved by the appropriate USF responsible authorities (*e.g.*, the Dean, Associate Dean of Research, or the Chair) to allow it. Permission must be received by Pre-Award SRA prior to submitting the Extra Compensation Form.
 - a. PI works with the Secondary Employer to complete the Extra Compensation Form
 - b. The PI obtains the Primary and Secondary Employer approval signatures (Page 2 of the form) as well as the named employee's signature of acceptance (Page 2 of the form)
2. PI submits Extra Compensation Form (for each person receiving extra compensation from the project) to the Division of Sponsored Research, Pre-award SRA. The SRA verifies that Extra Compensation is allowed on this project. (If it is not allowed Pre-Award returns the form to the PI).
 - a. Attach a detailed written description of the individual's regular department assignment must be submitted to determine *conclusively* when work beyond that level has occurred.
3. Pre-Award SRA obtains the signature of the VP for Research or designee and the approved form is returned to the PI or Secondary Employer.
4. The post Award GFA reviews to see if sufficient funds are available in the budget for this project. (If they are not available then Post Award notifies the PI and Pre-Award) If sufficient funds are available, Post Award GFA signs the form on page 2 and forwards to the Director of Sponsored Research for approval and signature (DocuSign)
5. Once the form has been approved and all signatures have been obtained, the SRA will forward the extra compensation form to HR.

RELATED REGULATIONS & POLICIES:

A. **External**

Office of Management and Budget: 2 CFR 200, Uniform Administrative Requirements and Cost Principles, 2 CFR §200.430.

B. **Internal**

USF Policy Statement on Faculty Extra Compensation
<https://www.usf.edu/provost/faculty/forms-policies-handbook.aspx>

Payment of Extra Compensation to Non-Faculty Employees on Federal Contracts and Grants

There is no specified treatment in 2 CFR §200.430(h)(4), for the payment of extra-compensation to non-faculty. USF interprets non-faculty extra-compensation to be different from faculty extra-compensation in that there is no required cross-departmental component that must be met. To be eligible for non-faculty extra-compensation, the requestor must demonstrate that the activities to be performed by the non-faculty member are unrelated to the duties of their primary appointment and that the terms are specifically provided for in the agreement or have been approved in writing by the sponsoring agency.

RELATED (Required) FORMS:

A. Request for Extra Compensation Form

<https://www.usf.edu/provost/faculty/forms-policies-handbook.aspx>
<https://usfweb.usf.edu/human-resources/resources/forms>

B. Form Routing Instructions

BEFORE WORK BEGINS, the Secondary Employer completes the Extra State Compensation Form for each person receiving extra compensation from the project (PIs and Co-PIs are not eligible).

- Enter the employee's name as it appears in GEMS
- Enter the GEMS Emp ID (Employee ID number)

The Secondary Employer completes the primary and secondary employer information sections.

- Enter the Campus name
- Enter the College/Division name
- Enter the Department/Unit name

Select the appropriate **criterion section** (extra compensation qualifier)

Reason for additional compensation section: Note: *Contract or Grant Activities must complete appendix A on page 3 of request form.*

- Check the reason for the extra compensation (Contract or Grant) Project Title, Project ID, Project Begin and End Dates, Location and Project Combo Code.
- Secondary Appointment – Begin and End Date Total Payment being requested.
- Page 2 of extra compensation form sections completed by appropriate person as indicated on form in order.
- Page 3 Appendix A for Extra Compensation on Grants & Contracts (All Sections)
- Page 4 (All Sections)
 - Signatures needed on page 2
 - Employee
 - Secondary Employer
 - Primary Employer
 - Dean's Approval
 - SRA

- GFA
- VP for Research or Designee

SRA-Sponsored Research Administrator- pre-award reviews to ensure the compensation is allowable and meets 2 CFR 200.430 requirements for federal awards

GFA-Grant Financial Administrator- Post award (GFA) verifies that funds are sufficient to support the Total Payment amount, Combo Code verification, verify secondary appointment dates are completed signs approval and forwards form to the VP for Research or Designee

VP for Research or Designee- Reviews/Approves and returns to GFA, GFA updates metrics and forwards to SRA puts a copy on the project electronic folder and returns signed copy to the Secondary Employer.

The Secondary Employer forwards the form and the appropriate appointment paperwork to Human Resources.

Human Resources reviews the form to ensure proper procedures and approvals have been met and enters the secondary appointment into GEMS for payroll processing.