



UNDERSTANDING THE PASSHE COMPENSATION POLICY FOR SPONSORED AGREEMENTS (GRANTS)

**Office of Sponsored Programs & Research
California University of Pennsylvania**

2018

PURPOSES OF THE POLICY

- Establish consistent, fair and equitable treatment of reasonable compensation for PASSHE employees who perform research, educational services, or other activities covered by a sponsored agreement
- Assure that all salary charges to sponsored agreements are consistent with federal cost principles
- Assure that Universities are protected from liability for unreasonable and unallowable charges to sponsored agreements
- Set standards for “reasonable compensation”



PURPOSES OF THE POLICY - CONTINUED

- Ensure that faculty participation in sponsored activities does not interfere with or negatively impact teaching and university commitments.
- Provide guidelines for university administrators, faculty members, and other employees in reaching appropriate agreement with the entity that is sponsoring the research, educational service or other activity.



SCOPE

- Policy covers all PASSHE University employees (faculty members and non-faculty employees) who perform research, educational services or other activities covered by a sponsored agreement



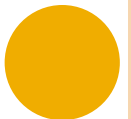
FEDERAL COST PRINCIPLES

- Federal law
 - 2 C.F.R., Chapter II, Part 200 (“Uniform Guidance”) requires an institutional policy defining the compensation allowable for personal services performed by a university under a grant, contract, or other agreement
 - Must be consistently applied to all sponsored activities
- Policy may be further limited by:
 - Other Federal laws
 - State regulations
 - Contractual obligations
 - Collective bargaining agreements



COMPENSATION RESTRICTIONS

- Must be proportional to the time & effort the employee commits
- Employee or job position must be specifically listed in the sponsored agreement
- Common method must be
 - Release time (faculty)
 - Pro-rata division of salary (staff)



TYPES OF COMPENSATION ALLOWED

○ Faculty

- Workload release
- Additional compensation
 - Academic Year
 - Inter-session periods (semester breaks)
 - Summer months

○ Staff

- Pro-rata division of salary
- Additional compensation
 - Must comply with CBA and Fair Labor Standards Act



FACULTY COURSE RELEASE

- Faculty member may include the project in the normal workload
 - Typically included in 3-credit increments
 - Preference- sponsored agreement pays the faculty member's full cost of replacement
 - Alternative- sponsored agreement pays the minimum cost of replacing the faculty member
- Two methods of replacement by University:
 - Hire a temporary replacement faculty member
 - Pay overload to another faculty member



FACULTY ADDITIONAL COMPENSATION

- Additional compensation must be
 - Permitted by the sponsoring agency
 - Approved by the University President or appropriate VP
 - Explicitly stated in the approved budget
- Maximum additional compensation permitted
 - There is no cap on additional compensation. The university must manage faculty workload and commitments.
 - May not exceed sponsor's limits



FACULTY ADDITIONAL COMPENSATION - CONTINUED

- Rate of pay
 - May not exceed rate of annual base salary
 - CBA summer rates may be used for summer pay or the faculty member may be issued an extension to his/her regular Academic Year appointment to cover the period of time performing work in the sponsored activity. For example, a faculty member could be issued an extension to work additional weeks or months outside of the Academic Year. An extension of a faculty member's academic year appointment for the purpose of performing work in the sponsored activity must be approved by the President, or his/her designee. Acceptance of the extension shall be voluntary on the part of the faculty member. A faculty member approved to perform work on a sponsored activity outside of the Academic Year must be paid in accordance with Article 22, Salaries, of the Collective Bargaining Agreement.
 - May not exceed sponsor's limits

- Sponsor may impose additional restrictions & conditions



STAFF PRO-RATA DIVISION OF SALARY

- Project is included in staff member's normal workload
 - Project scope of work is related to job duties
 - Staff member compensation does not change
 - Staff member's duties may not be reassigned to other employees
- Payroll or accounting entries allocate the staff member's salary/wages according to forecasted FTE percentages and project budget



STAFF ADDITIONAL COMPENSATION

- Additional compensation must be
 - Allowed by sponsoring agency
 - Approved by the University President or appropriate VP
 - Explicitly indicated in the approved budget
 - For work unrelated to normal job duties
 - Must comply with CBA and Fair Labor Standards Act

- Rate of pay
 - Managers paid at or below normal rate (stipend or wages)
 - SCUPA and AFSCME paid in accordance with the respective CBAs
 - Wages at overtime rate may be applicable
 - Federal sponsors do not typically allow overtime rate
 - Stipend is not allowable

- Sponsor may impose more restrictive conditions



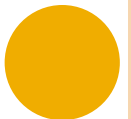
IMPLEMENTATION REQUIREMENT

- Time committed to an external sponsor becomes part of the first 100% of an individual's salary
- Extra service pay (i.e. overload) can be charged to Sponsor with specific sponsor approval and other prerequisites from the Uniform Guidance.



RECORDS REQUIREMENT

- Proportional time and effort committed must be recorded after-the-fact
- Records must be incorporated into official records
- Charges must reasonably reflect the activity



POLICY SUMMARY

○ Methods of Compensation

- Preferred- Release time / Pro-rata salary
- Stipend (allowable for faculty & managers)
- Additional wages – allowable for staff, but other restrictions may be applicable

○ Restrictions

- Compensation must be proportionate to work
- Time & effort must be confirmed after-the-fact
- Rate must be
 - At or below individual's normal rate (faculty & managers)
 - In accordance with CBA (SCUPA & AFSCME)



POLICY SUMMARY

○ Compensation Policy

- Faculty may receive additional compensation
 - Compensation must be identified in the approved budget
 - Position/individual must be identified in approved budget
- Staff may receive additional compensation
 - Compensation must be identified in the approved budget
 - Position/individual must be identified in approved budget



FOR MORE INFORMATION

- Office of Sponsored Programs & Research
 - www.calu.edu/faculty-staff/grants-awards/sponsored-research
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