

# **Additional Compensation Guidelines - Research**

## **Purpose**

To ensure faculty additional compensation payments are processed in accordance with Office of Management and Budget Guidance for Grants and Agreements (2 CFR 200) in addition to requirements under BOT Doc. T01-012. The guidelines provided herein are not intended to redefine compensable activities, but rather to establish a means by which systematic authorization is received for such activities and to establish procedures for monitoring the time commitment required to perform the extra assignment.

These guidelines apply to only full-time faculty (Full-time Lecturers as well as tenured and tenure-track faculty).

## **Definitions**

With respect to the Policy on Additional Faculty Compensation, the following words shall have the following meanings:

- **Additional compensation** is defined as any compensation paid to faculty by the University in excess of the Institutional Base Salary (IBS). Additional compensation may be paid to faculty for temporary outreach, research, and teaching activities administered, sponsored, co-sponsored, or conducted through the University; conducting workshops, and training outside the home department, additional administrative duties or special appointments; and extramurally-funded research. Payment is for work clearly beyond/outside the scope of the faculty member's normal assignments or outside the scope of duties specified in one's individual contract, in an amount appropriate to the allocation of time necessary to complete the extra assignment.
- Outside consulting or other outside remunerated services of a professional nature that don't go through the University are subject to the Policy on Faculty Consulting and Outside Activities (Doc. T96-047).
- A faculty member is an employee of the University whose principal title is Lecturer, Instructor, Assistant Professor, Associate Professor, Professor, or Chancellor Professor, and any other University employee whose principal duties consist of teaching, research, and/or service/academic outreach.
- Faculty overload may be allowable as a direct charge against sponsored programs in certain limited circumstances pursuant to 2 CFR 200.430 (h) (3).

"Intra-IHE consulting by faculty is assumed to be undertaken as an IHE obligation requiring no compensation in addition to IBS. However, in unusual cases where 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 or her regular responsibilities, any charges for such work representing additional compensation above

IBS are allowable provided that such consulting arrangements are specifically provided for in the Federal award or approved in writing by the Federal awarding agency."

- Sponsored research contract or grant - A contractual arrangement with a federal, state, private, or other non-university agency under which funds are made available and are administered by the University for a specified research or training project or program.
- Full-time - An employment relationship, applicable to Faculty, which requires a commitment of 100% of the individual's normal and expected working time and effort. Full-time employment (i.e., 100% FTE) is generally inconsistent with the acceptance of any other employment on a continuous or permanent basis. (Note: For other purposes, e.g., benefits, "full-time" employment may be defined differently.)

## **Conditions and Requirements**

Faculty members of the University of Massachusetts Dartmouth may receive additional compensation under the following circumstances and conditions:

- A. Any activities undertaken for additional compensation may not interfere with a faculty member's satisfactory disposition of his or her regular assignments and responsibilities.
- B. Faculty members may engage in as much extra activity for additional compensation as is consistent with maintaining a satisfactory disposition of their obligations to the University, as defined and monitored by the department chair and the dean of the school/college. It is the responsibility of the department chair and the dean to ensure that faculty members are meeting their full-time obligations to the institution in a satisfactory way.
- C. Additional compensation for federally-funded or federal-pass-through research and other contracts must be consistent with federal rules and regulations.
- D. Faculty may receive additional compensation for privately-funded research at rates that were pre-negotiated by the Office of Research Administration with the sponsor at the time of the award of the grant/contract.
- E. Rates of pay for teaching or related services are established by the unit sponsoring the programs with the approval of the Provost.
- F. No faculty member may accept additional duties or additional compensation that would bring him or her into conflict with Chapter 268A of the General Laws (ethics statute).
- G. Salary for services under separately designated assignments must be paid in proportion to the effort expended on each assignment and at the same rate for each assignment.
- H. UMass Dartmouth faculty generally may not be paid as independent contractors by the UMass Dartmouth Foundation. No services (other than those normally associated with the position) shall be provided as an implicit or explicit condition of the receipt of any funds allocated for purposes of additional compensation.
- I. Faculty members may earn a maximum of 3/9ths of their base salary during a calendar year per University of Massachusetts Policy T01-12.
- J. Director stipends, internal grant stipends, Administrative stipends, such as those for department chairs and faculty directors, are subject to the 3/9th summer salary limitation as specified in B.2

below. For calendar year assignments, 3/12th of the total stipend amount is subject to the 3/9<sup>th</sup> summer salary limitation.

## **Additional Compensation Guidelines**

### **A. Academic Year Additional Compensation Paid to Academic Year Faculty**

1. Additional compensation paid during the academic year appointment period from private sponsors is allowed only if no effort is charged or budgeted to any federal, federal pass-through and/or state sponsors during the academic year. In unusual circumstances, additional compensation for consulting across department lines is allowed on federal and state grants “if work is performed in addition to regular department load and such agreement is specifically provided for in the agreement or approved in writing by the sponsoring agency.” Copy of award and budget page is required to be submitted with additional compensation form for these unusual circumstances.
2. Additional compensation paid from private sponsors must be evidenced by negotiated rates in the award. Copy of award and budget page is required to be submitted with additional compensation form.
3. Units must secure written approvals before a faculty member may engage in any activity for additional compensation.
4. The approval of the Provost is required for a faculty member to receive additional compensation in excess of the limits (3/9ths of base annual academic year salary for privately sponsored activities and 2.5/9ths of base annual academic year salary for activities involving federal or state funds) during a calendar year.
5. Overload Instruction for Credit Courses in the Academic Year: In certain circumstances (e.g. coverage for another faculty member on emergency medical leave; coverage for enrollment and program growth to meet strategic initiatives such as online programming) and with approval of the chair and dean, overload pay may be approved for faculty that agree to teach additional credit courses beyond the departmental standard load, if it does not cause a conflict of commitment with the other duties of the faculty member.
6. Compensation earned for consulting services from entities not associated with the University as well as compensation earned during the academic year for overload teaching are not subject to the 3/9ths limit.

### **B. Summer Additional Compensation Paid to Academic Year Faculty**

CFR 200.430 stipulates that salary for periods outside the academic year

(i) Except as specified for teaching activity in paragraph (h)(5)(ii) of this section, charges for work performed by faculty members on Federal awards during periods not included in the base salary period will be at a rate not in excess of the IBS.

(ii) Charges for teaching activities performed by faculty members on Federal awards during periods not included in IBS period will be based on the normal written policy of the IHE governing compensation to faculty members for teaching assignments during such periods.

Full-time faculty members who are not involved in any sponsored grants/contracts during the whole calendar year and who would like to teach summer courses should get prior approval from the Provost if the total additional compensation is expected to exceed 3/9ths of their base academic year salary.

1. Summer period is defined as three months for nine month faculty, beginning June 1 through August 31.
2. Faculty members engaging exclusively in privately sponsored activities through the University during the summer can earn 3/9th of the base annual academic year salary if they work 100% of the summer and do not intend to take vacation or engage in any other activities that are not directly attributable to the funding source. Summer School and Maymester are included in the 3/9th rule. In addition, faculty members engaging exclusively in privately sponsored activities through the University during the summer may be paid at rates negotiated with the sponsor that may result in more than 3/9ths of base annual academic year salary paid during the summer period with approval of the Provost. Copy of award and budget page is required to be submitted with the additional compensation form.
3. Faculty members engaging in federal and/or state grants and contracts during the summer are limited to 2.5/9 or 27.77% of base annual academic year salary as total additional compensation during that same summer period. The summer additional compensation may include mixes of federal, state and/or private not to exceed a total of 27.77% of annual salary. Exceeding the 27.77% limit requires pre-approval by the Provost's Office unless the funding source is exclusively private (see B.2 above). The request to exceed the 27.77% limit must include description of the proposed activity (e.g. proposal development) and the funding source to cover the difference (5.23% of base annual academic year salary which is approximately 0.5 summer month).
4. Units must secure approvals before the extra work is carried out in order for the faculty member to be compensated for the work. Additional compensation is requested via the Additional Compensation form – Faculty which can be found on the Human Resources portal.

## **Compliance and Monitoring**

Additional compensation payable from funds administered by the University is permitted only under the conditions specified herein. Any such payments made, for any reason, in violation of this policy and associated Regulations constitute an indebtedness from the recipient to the University.

## **Frequently Asked Questions**

1. Is additional compensation received during the academic year included in the 3/9th rule?

YES. The Board of Trustees policy restricts the total additional compensation from all sources in a given calendar year to 33 % (3/9) of the faculty member's base salary. Exceptions to this rule are included in A.5 and A.6 above.

2. If I receive three months of summer salary, can I take a vacation?

A faculty member who requests three months of summer salary from a sponsored program must report 100% effort on the project and must therefore forego vacation entirely.

3. Can I receive summer salary for work on a sponsored program done during the academic year?

No. A faculty member cannot be paid in the summer period for work that was done on a sponsored program during the academic year. Federal regulations stipulate that summer salary from sponsored

programs must be for actual work performed during summer. During the academic year, faculty members are expected to perform teaching, research and service. In most situations, a faculty member who is engaged in research during the academic year is not allowed to charge salary to a grant unless arrangements are made for a course buyout.

4. Are stipends paid to chairs, directors, etc. subject to the 3/9th rule?

If stipends are paid for work performed during calendar year, 3/12th of the stipend (the portion corresponding to summer work) is subject to the 3/9th rule.

### **An Example**

Prof. McDonald's base academic year salary is \$108,000. Her annual director's 12 month stipend is \$6,000 which is added to her base. She also wants to work for two summer months on two privately sponsored projects (one month per project) and would like to teach summer courses.

Her monthly base salary is  $(\$108,000/9)$  plus  $\$500$  ( $\$6,000/12$ ) for a total of  $\$12,500$ . During the three summer months she may earn up to  $\$37,500$  ( $3 * \$12,500$ ). The portion of her stipend subject to the 3/9th rule is  $\$1,500$ . The maximum additional compensation she can earn during the calendar year is  $\$36,000$  ( $\$37,500 - \$1,500 = \$36,000$ ). If she charges each project sponsor  $\$12,000$  and assuming Prof. McDonald takes no vacation, the maximum she can earn for her teaching activities is  $\$12,000$ . ( $\$37,500 - \$24,000 - \$1,500 = \$12,000$ ).

If on the other hand, the two-month summer work involves federal or state sponsors, During the summer months she may earn up to 2.5 months salary,  $\$31,250$  ( $\$12,500 * 2.5$ ). The portion of her stipend subject to the 3/9th rule is  $\$1,500$ . The maximum additional compensation she can earn during the calendar year is  $\$29,750$  ( $\$31,250 - \$1,500 = \$29,750$ ). If she charges each project sponsor  $\$12,000$  and assuming Prof. McDonald takes no vacation, the maximum she can earn for her teaching activities is  $\$5,750$  ( $\$31,250 - \$24,000 - \$1,500 = \$5,750$ ).

**Note:** Assuming appropriate disclosures are made and there are no conflicts of interest, she can perform consulting activities outside of the University and the compensation earned from those activities would not impact the limits calculated in either of the two scenarios above.

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