

I. Policy Statement

Towson University (TU) complies with sponsor regulations and university policies regarding the use of personnel in its sponsored programs.

II. Reason for Policy

The federal government has requirements for payments for personnel services for work completed on sponsored projects. Specifically, TU is required to adhere to the requirements set for in 2 CFR 200, *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* ("the *Uniform Guidance*"). The *Uniform Guidance* states that compensation is allowable to the extent that the charges are reasonable for the services rendered, consistent with the grantee policies and procedures and consistent with the cost charged to non-Federal entities for similar work.

In addition, TU has policies regarding compensation payments to employees including the Policy on Institutional Base Salary for Full-Time Faculty (TU Policy 02-03.20) and the Policy on Secondary Employment for Regular Non-Faculty Employees (TU Policy 07-01.05).

III. Scope

These requirements pertain to all projects managed by the Office of Sponsored Programs & Research.

IV. Procedures

A. Personnel Use During Period of Appointment

- a. TU is permitted to charge a sponsored project for the time that personnel spend on a sponsored project. The rate is based upon the individual's salary (IBS in the case of faculty members) and must be reasonable given the work performed. This is sometimes referred to as budget relief.
- b. With the exception of Incidental Activities below, additional compensation is not permitted during an individual's standard period of appointment.
- c. Faculty anticipating working on a grant at least 10% of their time during the academic year may request a course release. Course releases must be approved by the department chair and the college dean during the routing process that occurs before a grant is submitted. Each course release will be budgeted at the rate of 10% of IBS + academic year benefits. The amount may be pro-rated for courses that are less than 3 credit hours.

B. Additional Compensation from Sponsored Projects

- a. Faculty members on nine-month appointments may earn up to 33.3% of IBS (summer support). Compensation must be paid at a rate consistent with a faculty member's IBS. Benefits consist of FICA calculated at 8% of the amount paid.
- b. Faculty members on ten-month appointments may earn up to 20% of IBS (summer support). Compensation must be paid at a rate consistent with a faculty member's IBS. Benefits consist of FICA calculated at 8% of the amount paid.
- c. Faculty members with significant administrative responsibilities (e.g., department chairs, center directors, program directors), with a 12-month fiscal-year appointment for their administrative responsibility and who receive an administrative supplement to their academic-year base salary, may receive additional compensation up to 33.3% of their academic-year base salary. Benefits consist of FICA calculated at 8% of the amount paid.
- d. Faculty who take a one-year sabbatical receive one half (50%) of IBS from TU. Therefore, they may receive up to one half (50%) of their IBS from external funding sources for the academic year period. Benefits for a sabbatical supplement consist of FICA budgeted at 8% of pay.
- e. Full-time faculty receiving the maximum amount of pay for the period that they are out of contract are expected to dedicate their sole effort to working on the project. If a full-time

faculty member assumes other duties (e.g., teaching), they are responsible for ensuring that the pay they received from the sponsored project(s) is commensurate with the work performed.

- f. Consistent with Federal Requirements Administrators (including Academic Administrators such as Deans, Assistant and Associate Deans, Librarians, Assistant and Associate Provosts) and other 12-Month Employees are not eligible for Supplemental Compensation from sponsored research. Exceptions to this require prior approval by the Vice President overseeing the area. In addition, exceptions must be managed in accordance with Towson University's policy on Secondary Employment for Regular Non-Faculty Employees (07-01.05); must be separate and distinct from the individual's primary job duties, and must be clearly expressed as additional compensation in the budget submitted to and approved by the sponsor.
 - g. Part-time Employees may earn additional pay through external funding if the work requires that they work additional hours, however, TU is required to be consistent in the pay provided. Pay must be equivalent to what the individual would be paid for providing the service regardless of funding source.
 - i. Because additional hours may impact benefits eligibility, it is important to consult Human Resources when part-time personnel will work on a sponsored project.
- C. Certain Incidental Activities Exception
- 1. Supplemental pay from federal funding is not allowed during the term covered by an individual's salary (9-month IBS for faculty members; 12 months for non-faculty). However, consistent with TU's policies (e.g. TU Policy 02-03.20 Outside Employment, Outside Professional Services, Outside Teaching and Offload/Overload Teaching by Full-Time Faculty; TU Policy 02-03.11 Institutional Base Salary for Full-Time Faculty; TU Policy 07-01.05 Secondary Employment for Regular Non-Faculty Employees) and following the guidelines below supplemental pay may be permitted. The following guidelines must be followed:
 - a. Supplemental pay must be for activities crossing departmental lines and/or involving separate or remote operation, and performed by the faculty in addition to their regular responsibilities OR Supplemental pay must be for an incidental activity such as delivering a lecture or workshop, serving on an advisory or selection board, etc. Examples include a member of the College of Education performing an evaluation for a grant in the Chemistry Department or a Saturday workshop taught at a satellite campus for middle-school teachers not enrolled in TU coursework.
 - i. Supplemental pay may be paid if compensation is routinely paid by Towson University for a comparable activity using internal funding.
 - ii. Supplemental pay provided with grant funds must be consistent with pay provided for other similar activities regardless of funding source.
 - iii. Supplemental pay must be expressed clearly as a supplement to IBS in the budget submitted to and approved by the awarding agency.
 - iv. Maximum supplemental pay is ordinarily equal to one course overload over the course of an academic or fiscal year.
 - v. In cases wherein there is no clearly defined institutional rate of pay for a specific activity, TU is required to determine the rate so that it is consistent with IBS. When multiple personnel are engaged in the same activity, an average rate should be used so that pay is equitable for a like activity.
 - vi. Benefits consist of FICA calculated at 8% of the compensation.
 - b. All supplemental pay requests must adhere to the policies reference in C1 above.
 - i. Supplemental pay requests for non-faculty employees require approval by the vice president.
- D. Overtime for Hourly (Non-exempt) Staff Employees
- 1. Routine administrative support for sponsored projects is captured as part of the University's indirect cost recovery.
 - 2. However, when a project requires significant support such as off-site duties, additional evening and/or weekend work that requires an individual to work more than 40 hours per week, the budget submitted to the agency should clearly indicate that the pay includes overtime pay, justifying the reliance on staff who are already working full-time.