

Norfolk State University Policy Guidelines for Faculty/Staff Intra/Extra University Supplemental Compensation

Preamble

The Faculty/Staff Supplemental Compensation policy (OSP Policy No. 15) serves as a framework by which faculty and staff can be compensated for intra- and extra-University consulting consistent with section 5.12 of the University's Faculty manual, August 16, 2000 edition, and "Employment," Administrative & Professional Faculty Handbook, January 1, 2002, pg. 11, *et seq.*

The key attribute of the policy is that the compensation funds are approved and available in the sponsored program budget and that the work to be performed is in addition to the assigned full-time faculty and staff load.

Notes

1. **Sponsored program funds are restricted funds.** Funds can only be expended within the categories specified in the approved budget (salaries and wages, supplies, travel, etc) unless the sponsoring agency approves otherwise.
2. **Allowable costs**—Compensation for personal services are allowable to the extent that the total compensation conforms to the University's established policies, and provided that the charges for work performed directly on sponsored program as well as other allocable work as indirect cost are determined and supported as provided by government cost principles.
3. **Key Elements of Policy**—
 - a. Work performed is overload, documented, and approved by appropriate supervisors. Charges for work representing supplemental compensation above the base salary are allowable, provided that such consulting arrangements are specifically provided for in the agreement or pre-approved in writing by the sponsoring agency.

Payment for consulting from sponsored awards is guided by OMB Circular A-21:

"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." (See supplemental work authorization form.)

Exceptions guided by OMB Circular A-21, are outlined below:

"However, in unusual cases where consultation 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 consulting

arrangements are specifically provided for in the agreement or approved in writing by the sponsoring agency."

- b. **Intra-University consulting** -- that which occurs between two separate and distinct departments within NSU. A department is defined as a distinct group involved in a recognized discipline and headed by a chair or director. Paid intra-University consulting is allowable in those instances where the faculty member's participation in a project is nominal, i.e., less than **5%** effort on a project. The total compensation accruing to a faculty/staff on nominal sponsored project effort **must not and cannot exceed his/her equivalent 1 month base salary** per employment contract period. A compensated intra-University consulting activity must be in addition to the faculty member's regular departmental duties **and** must take place **across** departments. For involvement in a sponsored project which anticipates more than a nominal commitment of time, faculty effort should be included as a named position in the project budget with compensation requested commensurate with proposed level of effort.

Recommendations for Approving Supplemental Compensation Requests:

1. PI/PD wishing to retain an individual for nominal effort on an approved project must first seek and obtain approval to use the individual prior to him or her commencing the work. A supplemental work authorization form is available for this purpose from the Office of Sponsored Programs. PI/PD must also ensure that the individual to be contracted satisfies the OMB Circular A-21 requirement regarding intra-University consulting.
2. Release time or replacement cost must be allocated prior to requesting funds for supplemental compensation from sponsors, for all programs with personnel.
3. No supplemental compensation request will be honored without sufficient and thorough documentations. Documentation must show that the work done is above and beyond the assigned full time work with appropriate dates and times. Documentation should minimally include:
 - a. Task and the date and time on which task was performed. For repeated tasks, specify the amount of time spent, the date, and progress made toward completion of the task.
 - b. The date and time of task cannot coincide with normal working hours.
4. **Supplemental compensation will be limited to an equivalent of 1 month salary per individual per employment contract period.**
5. Compensations to individuals not written into the approved project budget cannot exceed equivalent of 5% nominal effort per project.
6. In case of a named position in the approved project budget, supervisors will ensure that the time commitments for work are consistent with the University obligations of the faculty/staff requesting the supplemental compensation.