EXTRA-SERVICE COMPENSATION FROM EXTERNAL FUNDS

Extra and supplemental compensation from federal funds is governed by the U.S. Office of Management and Budget (OMB) Circular A-21, which also requires that like funding be treated consistently under like circumstances by the University. Thus, all external funding shall be subject to the regulatory guidance in OMB Circular A-21. As a result, “intra-university consulting is assumed to be undertaken as a university obligation requiring no compensation in addition to full-time base salary.” This principle will apply to employees who function as consultants for sponsored agreements conducted under the direction of other university employees.

Exceptions to this principle shall be as follows, as allowed in OMB Circular A-21, J10d(1): Extra-service compensation from external funds can be allowed for faculty when all of the following conditions are met:

1. The request does not exceed the normal rate of pay based on the faculty member’s institutional base salary, which is that compensation provided to an employee for fulfillment of the employee’s full workload.
2. The work is for consultation across departmental lines – or – involves a separate or remote operation, which in this policy shall mean that the work is separate from or only remotely related to the employee’s primary role assignment.
3. Work is in addition to the full workload, which reflects the primary role assignment(s).
4. The request is specifically proposed and included in the approved budget and/or agreement with the sponsoring agency or otherwise approved in writing by an authorized representative. If not specifically and explicitly provided for in the approved proposal, budget and/or award, an official approval must be requested before any work is done on an extra contractual basis. Fulfillment of this requirement shall not be considered a waiver of any of the previous requirements.

Extra-service compensation which meets these requirements may be paid to non-exempt and exempt staff not serving as key personnel as long as it is a cost-effective means of achieving the project objectives and conforms to established University policies. Employees may not receive compensation for extra service work on projects for which they serve as key personnel.