

Compensation from Sponsored Projects

Approved: 30April26

Administering Unit: Graduate School and Research

I. Purpose

The purpose of this policy is to provide guidance regarding compensation paid to individual employees from a sponsored project, whether in whole or in part, and inclusive of employees who have committed effort to a sponsored project but who are not receiving compensation (also known as "cost sharing"). This policy is in addition to other University regulations, policies, and guidelines regarding employee compensation and the allowability of supplemental compensation.

Because the federal government is a primary sponsor of research and other scholarly activities at Western Carolina University, the federal cost policies contained in 2 CFR Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* are extended to all sponsored projects, regardless of sponsor type. Adherence to these measures will minimize non-compliance issues and audit disallowances that may impede or detrimentally affect the University research community.

II. Definitions

Institutional Base Salary (IBS): IBS is the annual compensation paid by WCU for an individual's appointment, regardless of whether that individual's time is spent on research, instruction, service, administration, or other activities. IBS excludes any income an individual earns outside of duties performed for WCU.

Academic Year: For nine-month faculty, the academic year is the period from August 15 through May 15.

Summer Term: For nine-month faculty, the summer term is the period from May 16 through August 14.

III. Faculty Compensation – Academic Year Effort

Faculty may not receive more than their IBS as a result of participation in sponsored projects during the academic year.

Charges for work performed on sponsored projects during all or any portion of the academic year are allowable at the IBS rate. In no event will charges to sponsored projects, irrespective of the basis of computation, exceed the proportionate share of the IBS for that period. These charges for faculty effort on sponsored projects during the academic year do not increase the salary of the faculty member. These charges are commonly referred to as "academic release" and serve to reimburse the university for a portion of a faculty member's academic year salary when the sponsored project is carried out during the academic year.

Intra-university consulting is assumed to be undertaken as a university obligation requiring no compensation in addition to full-time base salary. This principle applies to faculty members that contribute to a sponsored project conducted by another faculty member of the same institution. Any request for additional pay for services from sponsored projects must be reviewed and approved by the dean of the requesting faculty member's college and the Chief Research Officer.

Principal investigators should be aware that including information related to extra compensation during the academic year in a proposed budget does not constitute agency approval and that approval of extra compensation, even when budgeted within the proposal, is still subject to institutional policies and approvals.

IV. Faculty Compensation – Summer Term Effort

A faculty member on a contract with a term less than twelve months may be paid summer salary (supplemental pay over and above academic year salary) for effort contributed to a sponsored project during the summer term. The combined annual salary from all sources may not exceed twelve months of salary.

Charges are based on the same monthly base rate of pay as during the academic year. Summer salary chargeable to sponsored projects is limited to the effort actually expended on the project.

V. Compensation for Staff

Full-time professional personnel performing work on sponsored projects may receive additional pay beyond their regular compensation in instances where the work is clearly distinct from their normal duties and occurs outside of their normal work hours or during a period for which the individual has used accrued leave (e.g., earned time or vacation) from their regular position during the period for which they request supplemental pay.

VI. Compensation for Administrative Support Costs on Sponsored Projects

Administrative support is designated under *Uniform Guidance* as being included in Facilities and Administrative (F&A) costs and should normally be treated as indirect costs. In accordance with 2CFR200.413, administrative support salaries may be charged directly to a sponsored project only when all of the following conditions are met:

- The services are integral to the project;
- Individuals can be specifically identified with the project;
- The costs are explicitly included in the approved budget or receive prior sponsor approval; and
- The same costs are not recovered as indirect (F&A).

For non-federal sponsored projects that specifically exclude F&A costs from the budget and for which administrative support is directly charged related to performance of the work, administrative support may be charged to the sponsored project provided it is within sponsor guidelines and included in the approved budget.