EXCESS COMPENSATION IN SPONSORED PROGRAMS POLICY

Statement of Policy: The purpose of this policy is to provide guidelines for complying with the federal government through Code of Federal Regulations Title 2: Grants and Agreements Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200.)

Summary of Contents/Major Changes: Moved policy to template.

Responsible Office and Responsible Enforcement Official: The Vice President for Research office is in charge of monitoring, enforcing, and revising the policy. The Associate Vice President for Research is the individual within that office who will be performing those functions.

Classification:

☐ Board of Trustees Policy
☒ Board-delegated Policy

Categories:

Research and Intellectual Property

History:

a. Effective date of current version: Nov. 1, 2018
b. Date first adopted: ???
c. Revision history: July, 2016
d. Proposed date of next review: Nov, 2021
1. **Purpose of Policy**
   The purpose of this policy is to provide guidelines for complying with the federal government through Code of Federal Regulations Title 2: Grants and Agreements Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200.)

2. **Stakeholders Most Impacted by the Policy**
   This policy applies to all faculty engaged in research, projects, activities conducted under the auspices of Western Michigan University whether the activities are conducted on or off campus.

3. **Key Definitions**

4. **Full Policy Details**
   
   
   Section 200.430 Charges for work performed on Federal award by faculty members during the academic year are allowable at the IBS rate.
   
   4.1.1. Salary basis. Section 240.430 (h) states in part “In no event will charges to federal awards, irrespective of the basis for computation, exceed the proportionate share of the IBS for that period. This principle applies to all members of the faculty at an institution. IBS is defined as the annual compensation pay by an IHE for an individual’s appointment whether that individual’s time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the IHE. Unless there is prior approval by the Federal awarding agency, charges of faculty member’s salary to a federal award must not exceed the proportionate share of the IBS for the period during which the faculty member worked on the award.
   
   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 consultant 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 agreement or approved in writing by the sponsoring agency.”
   
   4.1.2. Periods outside the academic year. Except as otherwise specified for teaching activity in (h) (5) (ii) below, 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.
   
   (h)(5)(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 assignment during such periods.

4.1.3. Part time faculty. Charges for work performed on federal awards by faculty members having only part time appointments will be determined at a rate not in excess of that regularly paid for the part time assignments. For example, an institution pays $5,000 to a faculty member for half time teaching during the academic year. He/she devoted one half of their remaining time to a sponsored agreement. Thus, additional compensation, chargeable by the institution to the agreement, would be one half of $5,000, or $2,500.

5. Accountability

6. Related Procedures and Guidelines
   Excess Compensation In Sponsored Programs Procedure

7. Additional Information

8. FAQs

   Related Policies:
   WMU AAUP Contract

   OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Circular 2 CFR 200

   Office of Management and Budget: Uniform Guidance 2 CFR 200.430

References:

CERTIFIED BY:                         DIRECTION OF
Board of Trustees, President, or VP

/s/
Office of the Vice President for Research BOT/President/VP

Date

Revised 6/7/2018 (JMS)