

## Guidance for Additional Pay on Sponsored Funds

In general, compensation for work completed on a sponsored project should be represented as the appropriate proportion of an individual's regular base salary and should not require additional compensation. It is recommended that Human Resources and Sponsored Projects Accounting should be consulted whenever additional pay is being considered on sponsored funds. In unusual circumstances, some additional compensation may be allowable if the appropriate sponsor approval has been obtained. All additional compensation payments should first and foremost follow University policy see Compensation Program - Base Salary and Variable Pay Administration: (<https://wustl.app.box.com/s/n379zybw46p1i1lu8b15thz9qvrn5fge>).

### Intra-University Consulting All Sponsors

The University's Procurement of Consultant Services for Sponsored Projects policy should be followed for any consulting that is charged to sponsored funds. Below is a key excerpt from section IV.,A:

*It is the general practice of the Washington University faculty, as well as the nonacademic staff, to participate in intra-university activities of sponsored projects as an employment obligation requiring no compensation in addition to full time base salary. Normally, financial arrangements are made between the collaborating schools/departments to have an appropriate share of the base salary of such employees charged to the personnel budget of the sponsored project. Should unusual circumstances indicate the need in a specific case to depart from this accepted practice, advice should be sought from the appropriate dean(s) and department chairpersons and from the Associate Vice Chancellor for Research.*

The full policy may be found at: [http://spa.wustl.edu/adminpol/consult\\_86\\_5-22-14.pdf](http://spa.wustl.edu/adminpol/consult_86_5-22-14.pdf)

### Intra University Consulting- Federal Awards/Contracts

Faculty: If the intra university consulting is to be charged to a federal fund the consulting payments must be processed via HRMS on the additional pay tab. There are two types of consulting arrangements: the first utilizes the expertise for which the faculty member is employed by the University; and the second utilize a skillset or expertise outside of his or her University appointment. When it is the former, approval and written documentation must be sought from the sponsoring agency, see **Appendix A** for specific agency guidance. In the event of the latter such payments/arrangements must follow the

University's consultant policy and the form must be completed. Earnings code utilization in HRMS for these payments should be as follows:

**Consultant Fees (CON)**

- Skillset outside of faculty member's appointment with the University
- Consultant form *must* be completed
- Faculty is employed by the University for the same area of expertise
- Written approval by the sponsoring agency
- Review and approval by SPA

**Project Pay (PRO)**

*Extra Service Pay/Premium/Overtime:*

Faculty: Individuals with faculty appointments may not receive Premium or Overtime payments on federal funds and should review individual non-federal guidelines for entity specific policies with regards to additional compensation in excess of institutional base salary (IBS).

Staff: Individuals with staff/non-faculty appointments may receive additional compensation or overtime so long as the charges made to sponsored funds follows the University guidelines for additional compensation.

**Incidental Pay**

Uniform Guidance - 2CFR 200.430(h)(1)(ii)

(ii) Incidental activities. Incidental activities for which supplemental compensation is allowable under written institutional policy (at a rate not to exceed institutional base salary) need not be included in the records described in paragraph (h)(9) of this section to directly charge payments of incidental activities, such activities must either be specifically provided for in the Federal award budget or receive prior written approval by the Federal awarding agency.

Additional information or questions regarding earnings codes and additional pay payments on sponsored funds should be directed to:

***Responsible Office Contact***

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**Uniform Guidance - 2CFR 200.430(h)(ii)**

(3) *Intra-Institution of Higher Education (IHE) consulting.* 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 faculty member 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 Federal award or approved in writing by the Federal awarding agency.

(4) Extra Service Pay normally represents overload compensation, subject to institutional compensation policies for services above and beyond IBS. Where extra service pay is a result of Intra-IHE consulting, it is subject to the same requirements of paragraph (b) above. It is allowable if all of the following conditions are met:

- (i) The non-Federal entity establishes consistent written policies which apply uniformly to all faculty members, not just those working on Federal awards.
- (ii) The non-Federal entity establishes a consistent written definition of work covered by IBS which is specific enough to determine conclusively when work beyond that level has occurred. This may be described in appointment letters or other documentations.
- (iii) The supplementation amount paid is commensurate with the IBS rate of pay and the amount of additional work performed. See paragraph (h)(2) of this section.
- (iv) The salaries, as supplemented, fall within the salary structure and pay ranges established by and documented in writing or otherwise applicable to the non-Federal entity.
- (v) The total salaries charged to Federal awards including extra service pay are subject to the Standards of Documentation as described in paragraph (i) of this section.

**National Institutes of Health Grants Policy Statement – Section 7.9 (November 2016)**

Salaries and Wages	Allowable. Compensation for personal services covers all amounts, including fringe benefits, paid currently or accrued by the organization for employee services rendered to the grant-supported project. Compensation costs are allowable to the extent that they are reasonable, conform to the established policy of the organization consistently applied regardless of the source of funds, and reasonably reflect the percentage of time actually devoted to the NIH-funded project. Direct salary is exclusive of fringe benefits and F&A costs. This salary guidance does not apply to consultant payments or to contracts for routine goods and services but it does apply to consortium participants (see the <a href="#">Consortium Agreements</a> chapter in IIB). Salaries of federal employees with permanent appointments are unallowable except in certain circumstances (see the <a href="#">Grants to Federal Institutions and Payments to Federal Employees Under Grants</a> chapter in IIB).
Salaries and Wages / <i>Extra Service Pay (Overtime)</i>	Extra Service Pay normally represents overload compensation, subject to institutional compensation policies for services above and beyond IBS. Where extra service pay is a result of Intra-IHE consulting, it is subject to the reasonableness standards for <a href="#">Salaries and Wages</a> above. It is allowable if all of the following conditions are met:  (i) The non-Federal entity establishes consistent written policies which apply uniformly to all faculty members, not just those working on Federal awards.  (ii) The non-Federal entity establishes a consistent written definition of work covered by IBS which is specific enough to determine conclusively when work beyond that level has occurred. This may be described in appointment letters or other documentations.  (iii) The supplementation amount paid is commensurate with the IBS rate of pay and the

	<p>amount of additional work performed.</p> <p>(iv) The salaries, as supplemented, fall within the salary structure and pay ranges established by and documented in writing or otherwise applicable to the non-Federal entity.</p> <p>(v) The total salaries charged to Federal awards including extra service pay are subject to the Standards of Documentation as described in <a href="#">Salaries and Wages/IHEs</a>.</p>
Salaries and Wages / <i>Institutions of higher education (IHEs)</i>	<p>Certain conditions require special consideration and possible limitations in determining allowable personnel compensation costs under Federal awards. Allowable activities: Charges to Federal awards may include reasonable amounts for activities contributing and directly related to work under an agreement, such as delivering special lectures about specific aspects of the ongoing activity, writing reports and articles, developing and maintaining protocols (human, animals, etc.), managing substances/chemicals, managing and securing project-specific data, coordinating research subjects, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences.</p>
Salaries and Wages / <i>Intra-IHE Consulting</i>	<p>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 faculty member 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 Federal award or approved in writing by the NIH awarding IC.</p> <p>Recipients, consortium participants, and contractors under grants that want to be able to charge employee consulting costs to grant-supported projects must establish written guidelines permitting such payments regardless of the source of funding and indicating the conditions under which the payment of consulting fees to employees is proper. Under no circumstances may an individual be paid as a consultant and an employee under the same NIH grant.</p> <p>Authorization for consulting fees paid to individuals serving as both employees and consultants of the same party must be documented in writing, on a case-by-case basis, by the head of the organization (or his/her designee) incurring the costs - i.e., the recipient organization, consortium participant, or contractor. If the designee is personally involved in the project, the authorization may be given only by the head of the recipient organization, consortium participant, or contractor. This authorization must include a determination that the required conditions are present and that there is no apparent or actual conflict of interest.</p>

## National Science Foundation Award and Administration Guide – Chapter V, Section B

### 1. Compensation - Personal Services

#### a. Salaries and Wages

Compensation paid or accrued by the organization for employees working on the NSF-supported project during the grant period is allowable, in accordance with 2 CFR § 200.430.

#### 3. Intra-University (IHE) Consulting

Since intra-university consulting is assumed to be undertaken as a university obligation requiring no compensation in addition to full-time salary, the principles summarized in [AAG Chapter V.B.1](#), also apply to those who function as consultants or otherwise contribute to a project conducted by another faculty member of the same institution.

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 appointment, any charges for such work representing extra compensation above the salary are allowable if consistent with established university policy and the applicable cost principles. If anticipated, any compensation for such consulting services should be disclosed in the proposal budget, justified in the budget justification, and included in the NSF award budget.

### **Other Federal Sponsors**

Faculty should consult the individual guidelines for agencies that have not been listed in this appendix.