

PROCEDURES 300.5
Area: General Administration

Adopted: September 18, 1998

Certified by _____
Dr. Adolphus Andrews
Vice President
Administration and Finance

Revisions Approved:

SUBJECT: PERSONNEL/PAYROLL REQUIREMENTS

- A. It is necessary to have complete and consistent documentation of all payments for salaries and wages. The documentation required for individuals paid salaries and wages is as follows:
 - 1. "Restricted Funds - Recommendation for Appointment" form (attached).
 - 2. "Personnel Action" form.

- B. All individuals paid from restricted funds will be paid utilizing the following rules.
 - 1. Payment will be based upon properly prepared and submitted payroll documents.
 - a. Time card, if applicable.
 - b. Contract.
 - 2. Hourly amount calculated must be based upon the individual's regular calculable rate. This is determined as follows:
 - a. Regular contract divided by 2080 hours; or
 - b. Regular hourly rate; or
 - c. Individuals who were not previously paid from University operating funds will have a rate which is usual and customary for the position.

3. Faculty compensation will be consistent with the collective bargaining agreement.
 - a. Release time should be granted where possible. Restricted monies would be substituted for operating monies.
 - b. Payment for grant/contracts activities can not exceed 1/3 of regular annual salary during non-academic portion of the year.
 - c. Faculty Overload & Salary Supplementation

Faculty members are allowed, with limitations, to conduct research during the academic year. The amount of pay faculty receive for this research must be commensurate with the base salary rate and the work performed. In addition, total salaries and workload as supplemented are considered as the full activity of the individual and thus constitute 100 percent of reported effort. Please refer to the University Faculty Workload policy for the definition of a full teaching load and for limitations on the amount of research time available.

- d. Faculty Consulting on Sponsored Programs

In general, there is no additional compensation when a faculty member consults on projects within the University. Section J 8. d. (1) of OMB Circular A-21 states:

"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."

There are limited exceptions to this rule in cases where the consulting arrangements meet the specifications described in Section J 8. d. (1) of OMB Circular A-21:

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"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 regular departmental load, any charges for such work representing extra compensation above the base salary are allowable provided that such consulting arrangements are specifically provided for in the agreement or approved in writing by the sponsoring agency."

The prior approval of the Grants Accounting Office is required when entering into such arrangements.

C. A Time and Effort report is required for each pay period an individual receives compensation. The Time and Effort report is completed and forwarded to the Grants Accounting Office by the applicable organization manager no later than 5 working days after the applicable pay period. The Time and Effort Report provides a basis for charging salaries to accounts in accordance with the relative activity applied to various programs and projects. The information reported by departments for a pay period reflects the actual activity of each employee as well as it can be measured, not the budgeted activity. However, budgets normally provide a guide to the application of actual activity. The Time and Effort Report also provides documentation that an employee is in the employment of the University during the pay period. Principal Investigators are urged to check Time and Effort Reports closely each month to certify that all persons paid on a sponsored project did, in fact, work on that project for the amount of time indicated on the Time and Effort Report. Changes of distribution of workload may not normally be made for any prior pay period. In the following exceptional situations, however, retroactive changes may be warranted:

1. When necessary to correct clerical and data entry errors.
2. When subsequent information is received indicating an incorrect original entry.
3. When charges applicable to a continuing project have been charged to the old account number because the new account number was not established when the expense was incurred.

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4. When a sponsor specifically authorizes in writing the charge of preaward costs to a project.
5. When required to properly charge nonfederal funds for costs incurred in connection with an award that fails to materialize.
6. When closely related work is supported by more than one funding source, costs may be transferred from the originally charged account to another account, provided the cost is a proper and allowable charge to the receiving account and the inter-relationship between the accounts is fully explained in the request. If an over expenditure is being transferred to another project, especially strong supporting evidence is required for approval.

Unacceptable Changes

1. When the change is for the purpose of utilizing unexpended funds of a federal award.
2. When the change is for the purpose of circumventing award restrictions.

3. When the change is for the purpose of avoiding a cost overrun by charging another, unrelated federal agreement.
4. When explanation merely states "to correct error," "to transfer to correct project" or other similar insufficient reasons.
5. When a change unrelated to sponsored agreements applies to a closed fiscal year.

Requesting Retroactive Changes

Retroactive salary reallocations for all employees may be requested by use of a Cost Transfer Request form. Retroactive adjustments to time and effort distribution may be requested by use of the Time and Effort Adjustment Request form. In either case, there must be a written explanation of how the error occurred. If the change is to a

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period in excess of 90 days past, a detailed explanation of why it was not corrected earlier must be provided. Also, there must be a certification of the correctness of the new charge. The request should normally be signed by the same person who signed the original Time and Effort Report and the department head. The department must submit the request along with a copy of the appropriate Time and Effort Report and Labor Distribution Report to the Grants Accounting Office.

- D. Restricted funds, when paid as wages, function to replace wages paid from university operating funds.
- E. The calculation of benefit cost is applied to all restricted funds salary and wage payments. The following guidelines apply:
 1. The rate is the same as used for unrestricted funds.
 2. Student wages are not assessed a benefit expense charge.
- F. *Employees do not accrue vacation or sick leave on payments based from restricted funds unless the source of funds clearly states otherwise.*

PROCEDURES:

Other 300.6