



## ROLLINS COLLEGE POLICY

Title: Compensation from External Grants and Sponsored Projects	Type	KI Key Institutional
No: 1016	Approval Date:	
Responsible Office: Grants and Sponsored Research/VPAA	Approved By: CLA FAC, 10-4-18; CLA FEC, 10-11-18; CLA Crummer EC, 10-11-18; CLA Faculty, 10-25-2018; Policy Committee, 3-11-2019; President’s Cabinet, 4-18-2019; President, 4-18-2019	
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### I. Purpose/Introduction/Rationale

Rollins College encourages faculty, staff, and administrators to seek external funding for research projects, scholarship, and programmatic initiatives that directly advance the mission and enhance the reputation of the College, while benefiting students, faculty, staff, and the greater community. The College is responsible for ensuring proper stewardship and successful oversight of these external resources by the Principal Investigator or Project Director (PI/PD) on an award in accordance with all applicable laws, the funding agency’s terms and conditions, and institutional policy.

The following policy was developed by the Office of Grants and Sponsored Research to provide specific College-wide guidance on employee compensation from external grants and sponsored projects, as required in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 (§200.430). The policy applies to all external grants and awards received and managed by the College regardless of funding source and not to grants or awards made directly to individuals. New faculty who bring with them active grant awards managed by another institution upon accepting a position at Rollins should work with the Office of Grants and Sponsored Research and the staff at his/her former institution to ensure compliance with this policy.

### II. Definition

**Institutional Base Salary (IBS)** is defined as the annual base compensation rate that is associated with the employee’s primary appointment and associated job responsibilities, as documented in the individual’s appointment letter and/or job description. For the purposes of this policy, compensation includes all salaries and wages (including those paid as stipends) but does not include fringe benefits. Activities considered to be included within a faculty member’s responsibilities through IBS pay are teaching a standard load, scholarship/research, and service. IBS excludes any extra service pay that an individual earns for work performed outside of regular duties (i.e., teaching overloads, administrative overloads, special awards, allowances, incidental activities and special service assignments, external consulting or contract work, etc.).

### III. Procedure or Application

#### **A. Allowable Rates and Activities**

In general, the College shall use a faculty or staff member’s IBS and an accurate estimate of percentage of effort the employee plans to commit to a grant or sponsored project to determine the amount of salary/wages to be charged to the project. In certain circumstances, compensation for work performed by faculty or staff members on a grant or sponsored project may be at a rate less than the employee’s IBS rate of pay (e.g., a modest, set rate stipend for an estimated number of hours to be worked), based on the funding agency’s guidelines or limitations and type of work to be performed. However, under no circumstance will the rate of compensation charged to an award exceed the employee’s current IBS rate of pay, applied hourly, daily, monthly, or otherwise.

Compensation charges to 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, animal, etc.), managing substances/chemicals, managing and securing project-specific data, coordinating research subjects, participating in appropriate seminars, consulting with colleagues and students, and attending meetings and conferences.

Under no circumstance will charges to a federal grant exceed the proportionate share of the IBS for the period during which the employee worked on the award, unless prior approval has been received from the funding agency. In addition, all charges for compensation must be clearly and specifically identified in the project budget that is submitted to the funding agency. Any budget modifications that take place post-award may require prior approval from the funding agency (consult with the Office of Grants and Sponsored Research).

## **1. Summer Salary**

Full-time tenured, tenure-track, and visiting faculty members with standard nine-month academic appointments are permitted to earn up to 2.5 months of summer salary from all grants and sponsored projects. For federal awards, summer salary should be directly proportionate to the individual's current IBS and corresponding percentage of effort to be committed to the project (e.g., one month of full-time effort = one month of salary, at a rate not in excess of current IBS). It should be noted that total salary funded by the National Science Foundation (NSF) is typically limited to two months (or two-ninths) of IBS per calendar year.

Certification of summer effort is required by faculty who are paid summer salary from federal awards (see Section B., below). Faculty who receive summer salary from a sponsored project fund must expend the effort associated with the summer salary during the summer period. Effort expended during the academic year does not satisfy a commitment related to the receipt of summer salary.

Compensation charges for faculty members conducting teaching (non-research) activities during the summer will be based on established institutional summer instructional pay rates.

## **2. Dedicated Release Time for Project Activities**

In most cases, compensation charges to grants and sponsored projects for full-time staff and faculty during the academic year will be in the form of release time or "buy out," which allows the College to partially release the employee from regular responsibilities so that he/she can dedicate an established and approved portion of his/her time and effort on the awarded project. If appropriate and allowable, based on the terms of the funding agency and budget allowances, the percentage of annual effort (and corresponding IBS) bought out should be directly charged to the grant award; this information must be included in the proposal budget unless the release is approved in advance by the College as uncommitted institutional cost-share.

Scholarship and Service Release Method: Tenured, tenure-track, and visiting faculty members with standard nine-month academic appointments are expected to commit their full-time effort during the academic year to teaching, scholarship/research, and service. For budgetary purposes, the College has determined 25% to be a reasonable estimate of a faculty member's time attributed to service and/or scholarship/research activities during the academic year for CLA faculty.\* If appropriate and allowable, based on the terms of the funding agency and budget allowances, CLA faculty conducting work on a grant or sponsored project during the academic year may request from the grant up to 25% of their IBS, directly corresponding to planned effort to be committed to the project. If the full 25% is bought out for a faculty member to commit 25% of his or her annual effort to a grant project over the academic year, the faculty member may not engage in any additional service and/or scholarship/research activities beyond the scope of activities included in the sponsored project during that time period. It should be noted that advising is expected to be undertaken alongside teaching responsibilities and may not be bought out through this method or the course release method outlined below. Any intra-institutional consulting will typically be considered a service activity and will be included in this method.

\*Note: Crummer faculty shall refer to current Crummer Bylaws (*Article VII: Faculty Evaluations and Performance Expectations*) and use established percentages of professional criteria (i.e., intellectual activities) as outlined therein.

Course Release Method: Course releases for work on sponsored projects will be considered in certain circumstances in which the institution determines the faculty member's time on the project to be substantial and/or the faculty member is unable to be released from existing commitments for scholarship/research and service activities. Faculty members who require a course release to work on a sponsored project should discuss this with their department chair and Dean in the early stages of proposal preparation to be sure that the department can accommodate the request. The Dean must approve all requests for course releases prior to proposal submission. Course releases are typically limited to one per semester.

Federal guidelines require the portion of time for the faculty member committing effort to the grant or sponsored project (not the replacement faculty member's rate); therefore, charges for course releases on all federal grants shall be calculated using the faculty member's institutional base salary rate. If allowed by the funding agency and approved in writing by the Dean, other non-federal awards may charge the faculty member's replacement cost for a course release. For CLA faculty,\* assuming the individual has a standard 3:3 teaching load and taking into consideration the expectations of faculty members to engage in scholarship/research and service work (estimated at 25% of their total annual effort) in addition to their teaching responsibilities (estimated at 75% of their total annual effort), each course release will equate to approximately 12.5% of IBS, not inclusive of associated and allowable fringe benefits.

\*Note: Crummer faculty shall refer to current Crummer Bylaws (*Article VII: Faculty Evaluations and Performance Expectations*) and use established percentages of professional criteria (i.e., teaching activities) as outlined therein.

When a sponsored agreement buys out part of a faculty member's effort through either method listed above, 50% of the resulting salary savings (after any necessary replacement costs have been incurred) will be set aside as a research fund for the faculty member. The other 50% will remain in the Academic Affairs budget, at the discretion of the faculty member's Dean.

Staff Release Time: Staff members may be released from a portion of their regular responsibilities in order to commit a portion of their appointment time on a grant-funded project if their role is determined to be necessary to the project's implementation and the request is included in the proposed budget and approved by the funding agency. In these cases, the staff member and PI/PD must secure written approval from their immediate supervisors and department heads, if applicable, prior to proposal submission.

### **3. Extra Service Pay**

Extra service pay normally represents overload compensation for services and activities above and beyond the scope of those included within the employee's primary appointment, for which they receive institutional base salary and as stated in their appointment letter and/or job description. Tenured, tenure-track, and visiting faculty and staff may be eligible to receive extra service pay on certain grants or sponsored projects if all of the following conditions are met.

- 1) The work or activities to be performed are determined to be above and beyond the scope of those included within the employee's regular responsibilities, for which they receive institutional base salary as stated in their appointment letter and/or job description on file with the Office of Human Resources. The Vice President of Academic Affairs/Provost, in consultation with the Dean of the Faculty, shall make this determination for all faculty positions. The Associate VP of Human Resources (HR) & Risk Management, in consultation with the staff or administrator's supervisor, shall make this determination for all staff positions.
- 2) The work or activities proposed will not interfere with or impede the employee's regular responsibilities.

- 3) The compensation is reasonable (i.e., consistent with that paid for similar work in other activities at the College or, if not available, in the current labor market), as determined by the HR department and in conformance with established HR procedures.
- 4) The compensation does not exceed the employee's current IBS rate of pay and is commensurate with the amount of additional work performed.
- 5) The work or activities to be performed are considered allowable and abide by all policies and procedures of both the College and the funding agency (including 2 CFR 200), if applicable.
- 6) The arrangement is specifically provided for in the award budget (i.e., salary charge is clearly requested as "extra service pay") or approved in writing by the funding agency.

In general, extra service pay may be charged to grants or sponsored projects for the following:

- Incidental activities, defined as infrequent (i.e., either a one-time assignment or activity occurring not more frequently than one day per month) and temporary (i.e., no more than one year in length). Incidental activities may include serving as a discussion leader or speaker for a community-based event or delivering a special lecture on a topic outside of the individual's field of study. Compensation for incidental activities charged to federal grants are exempt from documentation of personnel expenses (see Section B., below).
- Special service assignments, which may include variable ad hoc work over a longer duration, such as organizing an interdisciplinary workshop or conference on campus; managing a collaborative community-based research project; or participating in an interdisciplinary faculty or course development project.
- Intra-institutional consulting work if the consultation is across departmental lines or involves a separate or remote operation or facility.
- External consulting or contract work (corporate or government-sponsored), if the work does not directly involve Rollins students or existing courses.

It is expected that consulting or contract work be restricted to the equivalent of one day per week during the academic year. Faculty should refer to the Rollins College *Faculty Handbook* (Sections II and III, as appropriate) for additional guidance on teaching overloads/employment.

The PI/PD on a sponsored project should work with the Office of Grants and Sponsored Research during the budgeting phase to ensure that administrative approvals are obtained if it is deemed allowable and necessary to increase a part-time employee's hours through work on an external grant. Additionally, the increased hours may change benefits eligibility and must be approved by institutional authorities and budgeted for accordingly. The PI/PD is responsible for ensuring that the employee understands that the increased hours and additional compensation will not be continued beyond the grant period.

Undergraduate and graduate students hired to perform work on a sponsored project will follow the policies and procedures set forth by the Office of Student Employment and Human Resources.

#### **4. Sabbatical or Professional Leave Salary**

Faculty planning full-year sabbatical leaves may seek funding from external grants, sponsored projects, fellowships, or residency programs to fully support their academic year salary, up to but not at a level higher than 100% of his/her current institutional base salary, including receipt of any FYRSTs or other internal grants. Faculty may receive additional funds from an award to offset travel, insurance, and living expenses for activities related to the project, if allowed by the funding agency and appropriate in relation to the scope of work to be undertaken. Requests for sabbatical support and related expenses must be included in the proposed budget and approved by the funding agency.

### **B. Documentation of Personnel Expenses on Federal Grants**

Charges to federal awards for salaries and wages must be based on records that accurately reflect work performed. These records must provide reasonable assurance that the charges are accurate, allowable, and properly allocated.

They should reasonably reflect the total activity for which the employee is compensated by the College, not exceeding 100% of compensated activities, including all federally assisted and all other activities, on an integrated basis. Upon receipt of a new grant award supporting faculty or staff compensation on a sponsored project, the PI/PD will provide the Director of Grants and Sponsored Research an accurate estimate of time and effort to be expended by the employee on the grant during the upcoming summer, academic year, and/or calendar year. Any Rollins employee performing work beyond what is defined in this policy as an incidental activity on a federal award is required to certify their effort on that project after-the-fact and will comply with the College's *Effort Reporting Procedure* to satisfy this requirement.

### **C. Additional Considerations**

Salaries and wages of employees used in meeting cost sharing or matching requirements must be supported in the same manner as salaries and wages claimed for reimbursement from awards and will follow all policy and procedures as outlined herein.

## **IV. Related Policies or Applicable Publications**

See also:

- *Rollins College Faculty Handbook (Sections II and III)*
- *Crummer Bylaws (Article VII: Faculty Evaluations and Performance Expectations)*
- *College Policy AC 2006 Faculty Professional Leave, for additional information on the procedures for requesting release time for professional leave during non-sabbatical periods.*

## **V. Effective Date**

This policy is effective 11/1/18 and supersedes all previously issued versions.

## **VI. Appendices/Supplemental Materials**

*Appendix 1: Effort Reporting Procedure*

## **VII. Rationale for Revision**

*Not applicable.*

## EFFORT REPORTING PROCEDURE

### A. Purpose

Rollins College is required to document the fair and equitable distribution of charges for employees' services among federal awards and other college activities, as specified in the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 (§200.430). The process outlined in this Effort Reporting Procedure will serve to provide assurance that any charges for salaries and wages to federal awards accurately reflect actual work performed.

### B. What is Effort?

Effort is the percentage of an employee's entire work activity devoted to a given task or objective. Effort should be calculated by dividing the number of hours worked on a specific activity by the total number of hours worked on all activities for which the employee is compensated by the College. Total effort must account for 100% of an employee's time, based on a best-estimate percentage distribution across all College-compensated activities.

### C. How is Effort Reported?

Rollins will use an after-the-fact Effort Report Form to confirm an employee's effort when that individual is compensated by or has agreed to contribute time to a federal award. The form captures payroll distribution charges for an employee and will provide verification that the charges accurately reflect effort expended by the employee during the reporting period.

Under this system, compensation charges will be made initially on the basis of initial estimates of work to be performed, as stated in the negotiated and approved award documents and confirmed by the Principal Investigator/Project Director (PI/PD) on the project. Reports are then generated from the College's payroll system (through Human Resources) indicating the amount and percentage of the individual's total compensation that was allocated to federal award accounts and other College activities during the reporting period. Employees are expected to review the payroll distribution percentages and corresponding percentages of effort charged to each project or activity and determine whether the percentage of effort charged to the federal award(s) reasonably (within 5%) corresponds to the percentage of the individual's actual effort on the project or activity. The federal government recognizes that within an academic setting, teaching, research, service, and administration are often inextricably intermingled, and a precise assessment of factors that contribute to costs is not always feasible, nor is it expected.

Under no circumstance may the percentage of an individual's salary charged to a federal award exceed the percentage of the individual's effort that is expended on the project during the reporting period. If the percentage of effort expended in a given reporting period is less than the percentage of salary charged to the federal award, the salary charges must be reduced to reflect actual effort.

### D. Who Must Complete an Effort Report?

An Effort Report Form must be completed for any Rollins employee performing work on a federal award (e.g., grants, contracts, and subcontracts), including those supported through federal pass-through funding. Faculty and professional staff must certify their own Effort Report Forms. Effort Report Forms for students and any temporary employees charged to a federal award must be certified by the PI/PD of the project.

### E. What are the Responsibilities of the Principal Investigator/Project Director?

The PI/PD on the federal award is responsible for ensuring each employee performing work on the project is made aware of his/her level of committed effort to the project and is able to meet those commitments in light of any other College obligations. The PI/PD is also responsible for communicating any significant changes (>5%) to an employee's level of committed effort to the Office of Grants and Sponsored Research in a timely manner. Short term (such as one or two months) fluctuation need not be considered as long as the distribution of salaries and wages is reasonable over the longer term.

To accurately certify effort by students and other temporary employees on a project, the PI/PD should have knowledge of the amount of time spent by these employees on the project. This may, at the PI/PD's discretion, necessitate the use of subsidiary records (e.g., timesheets, activity logs, etc.) or other documentation to adequately confirm an employee's hours or level of effort committed to specific work assignments associated with the project. Lastly, a PI/PD is responsible for understanding the principles of effort reporting as outlined in this procedure and for ensuring that Effort Report Forms completed in connection with their sponsored projects are accurate and returned on time.

#### **F. Effort Reporting Periods**

Unless required more frequently for an individual funding agency, effort reports will be generated three times per year for any employee who is either receiving direct salary support from a federal award or contributing mandatory or committed cost-share/matching effort during the respective reporting periods, as follows.

- Fall: September 1 through December 31
- Spring: January 1 through May 31
- Summer: June 1 through August 31

#### **G. Procedures for Completing an Effort Report**

The Office of Grants and Sponsored Research will generate an Effort Report Form based on payroll feeds for the selected reporting periods. Effort reports will be distributed to all applicable employees no later than 15 days from the close of a reporting period. If applicable, payroll distribution will reflect the employee's institutional base salary for that individual's standard appointment period, regardless of whether the payout is over 12 months. To complete the Effort Report Form, the employee should first review all of the information on the form for accuracy and note any errors requiring correction by the Office of Grants and Sponsored Research. The employee should then review the Payroll Distribution and Effort columns to determine whether the percentage of the employee's effort charged to the federal award is accurate.

When reviewing and completing an Effort Report Form, the criterion to be used is how the individual's College-compensated effort was actually expended over the reporting period. Total effort may not exceed 100% regardless of the number of hours worked and should include all activities for which the individual receives compensation from the College. Total effort is not necessarily based on a standard 37.5-hour work week because it will likely be different for each employee and may vary during the reporting period. As an example, 10% effort = 4 hours for a 40-hour week and 6 hours for a 60-hour week.

An employee's assessment of effort expended over a report period should not include any external consulting or other outside professional activities. Professional services provided outside the institution for non-institutional compensation are not part of total effort for the purpose of the College's Effort Reporting Procedure.

When determining effort, an individual may expend effort without compensation from the sponsor. This is considered cost-sharing. Any mandatory (required by the sponsor) or voluntary committed (not required but written into the proposal budget) cost-sharing must be included in your effort reports. Any additional voluntary uncommitted cost-sharing (not required by the funder and not written into the budget) is not required to be captured in the Effort Report Forms.

If Charged Effort = Actual Effort: Upon reviewing an Effort Report Form, the employee may determine that the percentage of effort charged to the federal award does indeed reasonably reflect an accurate level of effort (within 5%) expended on the federal award(s). In this case, the employee should complete and sign the bottom of the form to certify the employee's effort on the project and return it to the Office of Grants and Sponsored Research. No further action is required.

If Charged Effort < Actual Effort: Upon reviewing an Effort Report Form, an employee may determine that the percentage of effort charged to the federal award is less than the percent of effort that was actually expended on that project, and this is allowable; this is considered uncommitted voluntary cost sharing and is not required to be

reported, nor does it require a reallocation of one's payroll distribution. In this case, the employee should complete and sign the bottom of the form and return it to the Office of Grants and Sponsored Research. No further action is required.

If Charged Effort > Actual Effort: Upon reviewing an Effort Report Form, an employee may determine that the percentage of effort charged to the federal award exceeds the percent of effort that was actually expended on that project (averaged over the entire reporting period) by more than 5%. In this case, the employee must enter the actual percent of effort expended in the Actual % Effort column, complete and sign the bottom of the form, and return it to the Office of Grants and Sponsored Research, which will initiate a payroll expense transfer. Under no circumstance may a federal award be charged payroll in excess of effort expended on the project during the reporting period.

Effort reports must be reviewed, completed, signed (certified), and returned to the Office of Grants and Sponsored Research no more than 30 days from the end of the reporting period. The Director of Grants and Sponsored Research will review all certified effort reports and, in the event that payroll charges have exceeded actual effort expended on a federal award, will promptly alert the Accounting & Budget Manager that a transfer of cost must take place. The Accounting Manager will then provide Payroll with the necessary reallocation information. All finalized effort reports will be scanned and sent to the Accounting & Budget Manager to be housed with the grant's official financial records. If at any time an employee has any questions on how to complete an Effort Report Form, they should contact the Office of Grants and Sponsored Research for assistance.

#### **H. Other Considerations**

Significant reductions of effort (>25%) on a sponsored project from levels approved in the application require prior approval from the sponsoring agency. It is the PI/PDs responsibility to be aware of his/her proposed effort commitments and to communicate any inability to meet those commitments to the Director of Grants and Sponsored Research to ensure that any necessary sponsor approvals of their reduced effort are obtained.

Additional payments from the College to an employee for items that do not represent a specific activity, appointment, or work objective (i.e. allowances for cell phone, retirement contributions, etc.) will not be included in an Effort Report Form.