
CAMPUS CORRESPONDENCE
University of New Orleans

TO:
Vice Chancellors, Deans, Directors and Department Heads

FROM:
Gregory M. St. L. O'Brien
Chancellor

DATE:
May 23, 1997

RE:
AP 20.4 (Additional Compensation Charged to Grants and Contracts for Academic Year Employee)

Attached is revised copy of AP 20.4, dated May 24, 1997, which addresses matters related to additional compensation charged to grants and contracts for academic year employees. Please fill as appropriate, and take measures to ensure that all personnel under your supervision are aware of its provisions. This document supersedes AP 20.4 dated October 1, 1995.

Thank you very much for your cooperation.

OFFICE OF THE CHANCELLOR
University of New Orleans

Administrative Policy & Procedure
AP - 20.4
Effective Date: May 24, 1997

This document supersedes AP 20.4 dated 10/1/95.

SUBJECT: Additional and Summer Compensation Charged to Grants and Contracts for Academic Year

Employees

PURPOSE

To establish guidelines and procedures to be followed in those cases where additional compensation is requested and to incorporate the method to be used to determine the maximum amount of compensation for summer research to be charged to externally funded grants or contracts.

DEFINITIONS

Academic Year Appointment is a nine-month appointment that coincides with the academic-year calendar. This appointment is considered continuous from the beginning of the fall semester to the end of the spring semester, with no breaks. Intervening non-workdays, such as weekends, Labor Day, spring break, Christmas break, are included in the academic year base salary.

Academic Year Base Salary is the compensation established by the university for services rendered during the academic year.

Additional Compensation is remuneration paid by the university for work done in addition to normal duties which increases the faculty member's percent of effort beyond 100 percent.

Compensation for Summer Research is remuneration paid by the university for the work done between the end of the spring and the beginning of the fall semesters. A total of 60 working days (one-third of the academic year) is the maximum number of days for which faculty members can charge salaries to grants and contracts during the summer period. Compensation received for research or instructional activities during this period in **not** regarded as "additional compensation."

Academic Daily Rate is the amount of daily compensation which is derived by dividing the academic year base salary by the number of work days in the academic year (i.e., 180 days).

GENERAL POLICY

Compensation for the time spent on both research or instructional activities during the academic year is deemed by the university to be included in the faculty member's regular academic year base salary. Often, this compensation is partially funded by a Federal grant or contract. (The National Science Foundation and the Louisiana Board of Regents will not fund more than two months of summer research. However, the remaining month can be charged to another grant or contract, if available.)

Federal regulations allow charges for work performed by faculty members on sponsored agreements during the summer months "where the determination of the rate of compensation follows the normal policy of the institution governing compensation to faculty members during such period, and where the rate is determined to be not in excess of the base salary divided by the period to which the base salary relates." In unusual cases where the work performed is beyond the faculty member's departmental load, charges representing additional compensation above the base salary may be allowed if provided for in the agreement and approved in writing by the sponsoring agency.

AUTHORITY

This Administrative Policy is issued in accordance with Article VII, Section 4 of the Bylaws and Regulations of the Board of Supervisors of the Louisiana State University System.

This document supersedes Administrative Policy and Procedure 20.4 dates 10/1/95, which is hereby rescinded.

PROCEDURE

Summer Research Compensation

Summer teaching compensation for academic year employees is based on a fixed percentage of the academic year salary. Research appointments may be made in addition to teaching appointments. The summer compensation for faculty members conducting research and for those who teach will be limited to either length or percent of effort so that they will not earn more than the equivalent of 60 working days based on their academic year daily rate.

The following table depicts several scenarios which will be applicable depending on the summer work load of the individual faculty member:

Summer School Credit Load	0	1	2	3	4	5	6
Summer School % Effort	0.00%	16.67%	33.33%	50.00%	66.67%	83.33%	100.00%
Days Available for Research	60.00	53.33	46.67	40.00	33.33	26.67	20.00

In those instances where a faculty member needs to exceed 100 percent of full-time effort during the summer period, the request for remuneration for the increase in percentage will be considered additional

compensation, and as such will require prior approval from the sponsoring agency.

Additional Compensation If a principal investigator determines that a proposed project will require his or her attention during an intervening non-workday period of the academic year (e.g., weekends, spring break, Christmas break), and will warrant remuneration which augments his or her academic year base salary, this payment will constitute additional compensation. It is the principal investigator's responsibility to clearly identify such remuneration as a line item in the budget of the proposal.

This additional compensation should be calculated on the same basis as any other activity conducted during the academic year, e.g., on an academic workday basis. Generic terms, such as "salaries," "overload," "personnel services," "stipend payments," etc., may **not** be used as requests for additional compensation. Requests for additional compensation **must** be clearly labeled "additional compensation" in the budget of the proposal.

Office of Research

The Office of Research and Sponsored Programs assists members of the NO faculty and staff in the submission of proposals for external finding and in the administration of awarded grants and contracts. All grant and contract proposals are approved by the Vice Chancellor for Research or the Vice Chancellor's designee before being transmitted to a potential sponsor.

The Office of Research will insure that any request for additional compensation is justifiable under the terms or scope of the proposed project, accounted for under the terms or scope of the proposed project, clearly identified as additional compensation in the budget of the original proposal, and subsequently approved by the appropriate sponsoring agency.

Office of Grants and Contracts Accounting

The Office of Grants and Contracts Accounting routinely verifies Personnel Action 101 Forms charging restricted accounts for the availability of funds to sport expenditures for salaries. Grants and Contracts Accounting will compare those 101 Forms requesting additional compensation with the agency-approved budget to ascertain whether approval for additional compensation was granted by the sponsoring agency.

If the affected budget does not clearly and specifically provide for such additional compensation, the 101 Form will be delivered to the Office of Academic Affairs for return to the initiating department. The Form 101 for additional compensation should not be resubmitted until written approval for the expenditure as "additional compensation" is received by the Office of Research.

The provisions of PM-3, *Compensation Limitation, Academic and Nonclassified Employees* dated February 21, 1990, are not superseded by this revised procedure and are completely applicable.

Gregory M. St. L. O'Brien
Chancellor

CAMPUS CORRESPONDENCE
university of New Orleans

Office of Business Affairs

TO:
Deans, Directors, Department Chairs and Principal Investigators

FROM:
Leo P. LeBlanc
Assistant Vice Chancellor

DATE:
May 24, 1996

SUBJECT:
Administrative Policy and Procedure AP 20.4

Based upon review of Personnel Action Forms 101 now being processed, it is apparent that some confusion still exists regarding the meaning of "additional compensation" during the summer months. Specifically, problems arise with the interpretation of what constitutes "summer research" efforts as opposed to efforts requiring "additional compensation."

Attached for your convenience is a copy of AP 20.4 issued by the Chancellor's Office and effective October 1, 1995, which thoroughly identifies and establishes the parameters for differentiating between payments for "summer research" and payments for all other periods outside of the academic semester dates.

Basically, summer research is defined as research efforts conducted within those dates which mirror the exact dates of the summer session (currently, June 4, 1996 through August 2, 1996). Any and all appointments which do not mirror the summer session dates are to be identified as "additional compensation."

Please refer to the attached AP 20.4 for further information regarding this issue and other important criteria which must be met for authorization to charge additional compensation to grant and contract accounts.

Office of the Chancellor
University of New Orleans

Administrative Policy and Procedure
AP 20.4
Effective Date: 10/1/95

SUBJECT: ADDITIONAL COMPENSATION CHARGED TO GRANTS AND CONTRACTS FOR
ACADEMIC YEAR EMPLOYEE

PURPOSE

To establish guidelines and procedures to be followed in those cases where additional compensation is requested to be expended from an externally funded grant or contract source. This policy shall remain in effect until superseded by any future administrative action.

DEFINITIONS

Academic Year Appointment is considered to be a nine-month appointment, extending from mid-August through mid-May. This appointment is considered to be continuous from the beginning of fall orientation through the spring commencement with no breaks. Intervening non-workdays, such as weekends, Labor Day, Spring Break, Christmas Break, etc. are **included** in the academic year appointment and compensated for the academic year base salary.

Academic Year Base Salary is the annual compensation that is established by the university and agreed to by virtue of a contract (e.g. Personnel Action Form 101) with an academic employee for the academic year appointment.

Academic Term is that period of time which encompasses the officially designated Summer, Fall and Spring semesters.

Academic Compensation is remuneration paid by the university for work performed outside of the employee's academic year appointment which serves to augment the employee's base salary. For the purposes of this Administrative Policy, compensation received for research or instructional activities during the Summer session is **not** to be regarded as "additional compensation," as most granting agencies allow their grants or contracts to be directly charged two-ninths of an employee's academic

year base salary for "Summer Research."

Examples of time periods during which additional compensation is often requested include the following: intervening non-workdays of an academic year appointment (weekends, holidays, Spring break, Christmas break, etc.), and all semester breaks (end of Spring semester to Summer registration, end of Summer session to Fall registration, end of Fall session to Spring registration).

GENERAL POLICY

Compensation for time spent on research or instructional activities within the term of the academic year is deemed by the university to be included within the faculty member's regular academic year base salary. Often, this compensation is partially funded by a Federal grants or contract or bought out by the university's general funds as release time. However, Federal regulations and university policy do not allow the use of grant or contract funds to augment the academic year base salary of faculty, unless the additional compensation request is clearly and properly identified, is disclosed as such in the grant or contract proposal, and is ultimately approved by the granting agency.

AUTHORITY

This Administrative Policy and Procedure is issued in accord with Article VII, Section 4 of the Bylaws and Regulations of the Board of Supervisors of the Louisiana State University System.

PROCEDURE

Principal Investigators

If a principal investigator determines that a proposed project will require his/her extended attention during and intervening non-workday period of the academic year (weekends, Spring break, Christmas break, semester breaks, et.), and will warrant remuneration which augments his/her academic year base salary, this payment will constitute **additional compensation**. It will be the principal investigator's responsibility to clearly identify such remuneration requirement as an additional compensation charge in his/her budgetary proposal.

In the project proposal, a separate budget line item will be added for additional compensation requirements. This additional compensation requirement should be calculated on the same basis as any other activity conducted during the academic term, i.e. on an academic workday basis (weekends

excluded). Generic terms such as "salaries," "overload," "personnel services," "stipend payments," etc. are **not** to be used to identify additional compensation requests. Additional compensation requests **must** be clearly labeled as "additional compensation" in the budget proposal.

GENERAL POLICY

Compensation for time spent on research on instructional activities within the term of the academic year is deemed by the university to be included within the faculty member's regular academic year base salary. Often, this compensation is partially funded by a Federal grant or contract or bought out by the university's general fund as release time. However, Federal regulations and university policy do not allow the use of grant or contract funds to augment the academic year base salary of faculty, unless the additional compensation request is clearly and properly identified, is disclosed as such in the grant or contract proposal, and is ultimately approved by the granting agency.

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PROCEDURE

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If a principal investigator determines that a proposed project will require his/her extended attention during an intervening non-workday period of the academic year (weekends, Spring Break, Christmas Break, semester breaks, etc.), and will warrant remuneration which augments his/her academic year base salary, this payment will constitute **additional compensation**. It will be the principal investigator's responsibility to clearly identify such remuneration requirement as an additional compensation charge in his/her budgetary proposal.

In the project proposal, a separate budget line item will be added for additional compensation requirements. This additional compensation requirement should be calculated on the same basis as any other activity conducted during the academic term, i.e. on an academic workday basis (weekends excluded). Generic terms such as "salaries," "overload," "personnel services," "stipend payments," etc. are not to be used to identify additional compensation requests. Additional compensation requests must be clearly labeled as "additional compensation" in the budget proposal.

Office of Research

The Office of Research and Sponsored Programs assists NO faculty and staff in the submission of proposals for external funding and in post-award administration of grants and contracts. All grant and contract proposals are approved by the Vice Chancellor for Research or his/her designee before being transmitted to a potential sponsor.

The Office of Research will ensure that any proposed salary payment which will increase the academic year base salary of a potential principal investigator is:

1. Justifiable under the terms or scope of the proposed project;
2. Accounted for and clearly identified as additional compensation in the original budget proposal;
3. Subsequently approved by the appropriate sponsoring agency.

Office of Grants and Contracts Accounting

The Office of Grants and Contracts Accounting routinely verifies Personnel Action 101 Forms charging restricted fund accounts for the availability of funds to support salary expenditures. Grants and Contracts Accounting will compare those 101 Forms requesting additional compensation with the agency approved budget to ascertain that approval for additional compensation was granted by the sponsoring agency.

If the affected budget does not clearly and specifically provide for such additional compensation, the 101 Form will be delivered to the Office of Academic Affairs who will return it to the initiating department. The additional compensation Form 101 should not be resubmitted until written approval of the expenditure as "additional compensation" is received by the university from the sponsoring agency.

Gregory M. St. L. O'Brien
Chancellor