

**UNIVERSITY SPONSORED PROGRAMS COMPENSATION POLICY**  
**The Lincoln University**

**I. PURPOSE**

Sponsored Programs is operationally defined as extramural activities involving grants, contracts, and cooperative agreements. The primary purpose of this sponsored programs' compensation document (to include salaries, wages, and benefits) is to institutionalize a campus-wide policy that guide its stakeholders in the appropriate and effective interpretation and applications of consistent, fair and equitable distribution of reasonable compensation for those who are engaged in sponsored program activities. The Lincoln University Sponsored Program Compensation policy will assure compliance with appropriate federal cost principles and that the university is protected from liability for unreasonable and unallowable charges to sponsored program activities.

All sponsored program activities, officially processed in the name of The Lincoln University and funded, are awarded to the institution and therefore the university is responsible for all compliance with all appropriate terms, conditions, regulations and laws. Furthermore, The Lincoln University shall ensure that faculty and staff participation in sponsored program activities does not interfere with or have undesirable effect on contractual university teaching and other related university responsibilities.

The Federal Cost Principles for Educational Institutions as set forth in the Office of Management Budget, (OMB) Circular A-21, require an institution that receives federal funding to promulgate a policy defining the compensation allowable for personal services performed by a university under a grant, contract or other agreement with the Federal Government. This policy must be institution-wide and be consistently applied to all sponsored program activities. The amount of compensation that a faculty member or other University employee may receive under a sponsored program activity is further limited by federal and state laws and regulations, contractual obligations, and collective bargaining agreements. With the number of external grants increasing each year, The Lincoln University needs to ensure full compliance with the regulatory and contractual mandates that govern the compensation a faculty member or other University employee may receive for personal services covered by a sponsored agreement. The policy sets standards for "reasonable compensation".

**II. SCOPE**

This policy covers all Lincoln University's employees who perform sponsored programs activities as per funded proposals.

**III. OBJECTIVE**

The Lincoln University will approve faculty and staff compensation on funded sponsored program activities to the extent that they are reasonable and align with the percentage of time and effort devoted to identified participants to project. However, charges to sponsored program activities may not exceed the annualized base salary paid to a Lincoln University employee. This sponsored program compensation policy is not intended to prevent a Lincoln University faculty or staff member from receiving appropriate

financial compensation greater than their annualized base salary as long as all appropriate regulations, policies, and applicable collective bargaining agreements are satisfied. This compensation policy, however, is intended to provide university-wide and enforceable set of guidelines that will assist faculty and staff in compliance with the requirements of the funding agencies.

#### **IV. POLICY**

Proactively, each sponsored program proposal that is developed and submitted on behalf of The Lincoln University to an external funding agency shall include specified amount of funds, commensurate with time and efforts to be committed to the project that is allocated to project employees. The proposal may include a provision to provide for release time from normal and beyond work activities for each faculty member or employee who will be performing the sponsored program activities.

The prevailing practice by The Lincoln University in the processing of request for use of release time regarding wages, salary and benefits shall be employed in processing all compensation requests resulting from sponsored programs funding.

##### A. Situations and Conditions prerequisite for additional compensation

When a Lincoln University faculty member and other employees of the university receives any compensation under a sponsored program activity, and the initiative exceed the time and effort attributable to the faculty member, staff, or administrator's normal workload responsibilities, the following three conditions must be met before additional compensation will be paid:

- a) The funding agency must allow a faculty member, staff, or administrator to receive compensation above 100 percent of the annualized base salary.
- b) The University President or his designee must approve the faculty and staff member's duties and responsibilities and then specify which duties and responsibilities will require the faculty or staff member to receive overload or additional compensation above 100 percent of the faculty or staff member's annualized base salary.
- c) Compensation costs charged to the funding agency shall be consistent with the compensation rules set forth in this Lincoln University policy.

A non-faculty member who is assigned additional duties and responsibilities, in a sponsored program activity, beyond his/her normal full-time work load, must obtain appropriate approval from his/her departmental chairperson, school dean, and appropriate vice-president or unit leadership to qualify for additional compensation. Such request will be limited to 25 percent of their annualized base salary in any given calendar year. Compensation to non-exempt employees must be paid in accordance with the overtime provisions of the Fair Labor Standards Act, if allowed by the funding agency. A faculty member or other Lincoln University employee is permitted to receive compensation as an intra-university consultant or associate so long as the consultant services are referenced in the approved

sponsored program proposal. Payment for consultant services will be based on the faculty member or employee's annualized base salary.

#### B. Reasonable Compensation - During the Academic Year

The amount of funds charged to a sponsored program activity for a faculty member's time and effort may not exceed the faculty member's annualized base salary for the academic year. Consistent with the conditions set forth below, The Lincoln University may provide additional compensation to a faculty member whose annualized base salary is fully covered in the funded program activity during the academic year if that faculty member is required to do additional work needed by the University. The total amount of additional compensation shall not exceed 25 percent of the faculty member's annualized base salary and shall be for services provided to the University.

In those situations where a faculty member's annualized base salary is partially covered by a sponsored program activity during an academic year, the University may provide additional compensation to a faculty member proportional to the time and effort commitment of the faculty member. The combined amount of compensation a faculty member may receive during the academic year shall not exceed 125 percent of a faculty member's annualized base salary. For example, if 25 percent of a faculty member's salary is covered by a sponsored program activity and 75 percent is covered by the University, the faculty member is eligible to receive overload compensation of up to 25 percent of the faculty member's annualized base salary for services provided to the University. For purpose of this compensation policy, the academic year is a period of nine months.

#### C. Reasonable Compensation - During the Summer Term

The amount of funds charged to a sponsored program activity for a faculty member's time and effort during the summer term may not exceed 33 percent of a faculty and staff member's annualized base salary. Consistent with the conditions set forth below, the University may provide additional compensation to a faculty and staff member whose salary for the summer term is fully covered by a sponsored program activity, and in such case, the amount of additional compensation shall not exceed 8.3 percent of the faculty and staff member's annualized base salary. Therefore, 41.3% of a faculty and staff member's annualized base salary is the maximum compensation a faculty and staff member may receive in the summer term. Individual funding agency may impose more restrictive salary conditions during the summer months. For example, grants funded by the National Science Foundation ("NSF") must comply with the "2/9ths rule" as set forth in Section 611.1.b.2 of the NSF's Grant Policy Manual. For purpose of this Lincoln University compensation policy, the summer term is period of three months.

#### D. Reasonable Compensation – Miscellaneous

Consistent with the conditions set forth herein, The Lincoln University may allow a faculty member or staff to earn additional compensation during intersession periods, i.e., semester breaks. The amount of compensation earned during intersession periods must be reasonable in relation to the faculty or staff member's annualized base salary. Inter-sessions are part of the nine-month academic year for the purpose of this policy.

## **V. OPERATIONAL DEFINITIONS**

The following definition pertains to this policy:

Annualized Base Salary - - The annualized Base Salary that The Lincoln University pays a faculty member or other University employee as defined by the applicable collective bargaining agreement. For faculty members and other University employees not employed on a twelve-month basis, the base salary is what an individual is contracted to receive during the academic year.

If a University employee is not a member of a collective bargaining unit, the salary set forth in the University employee's employment contract will be the base salary.

## **VI. RECORDS REQUIREMENTS**

Consistent with this Lincoln University Compensation policy, OMB Circular A-21, and applicable laws and regulations, The Lincoln University shall maintain a payroll distribution system that is part of the University's official records, including paper files. Charges for salaries, wages and fringe benefits shall reasonably reflect the activity for which the faculty member or other University employee is compensated and encompass both sponsored and other activities on an integrated basis. Faculty members or other University employees shall be required to certify time and effort reports in support of salaries, wages and benefits charged to the sponsored program activities.

## **VII. IMPLEMENTATION REQUIREMENTS**

Time committed to a sponsored program, particularly from a federal government funding agency, shall be considered part of the faculty or other employee's annualized base salary. That is, it is part of the first 100% of an individual's salary.

In those instances when additional compensation is approved by The Lincoln University pursuant to this policy, and to secure approval from funding agency, as per section "IV.A" above, proposals to prospective funders must specifically state that personnel will receive additional compensation above the annualized base salary.

The Lincoln University will establish appropriate procedures for implementing the University Sponsored Programs Compensation policy.