I. PURPOSE

SUAGM policy for Compensation for Personnel Services Rendered under Sponsored Programs, seeks to establish written guidelines for the engagement of SUAGM employees and faculty members in the Administration of Sponsored Programs in accordance with OMB Circulars A-21 and A-110.

This policy establishes guidelines. Sponsoring Agencies may interpret the OMB Circulars different from the guidelines established herein and/or may establish their own specific requirements for compensation for personal services under Sponsored Programs. Accordingly, the Principal Investigator or Project Director of a Sponsored Program is required to communicate with the relevant Sponsoring Agency to ensure the compensation proposal under the Program and its contemplated implementation is acceptable to the Agency and all necessary approvals are obtained. Any deviation from this Policy must be authorized in writing by the Sponsoring Agency.

II. APPLICABILITY

This policy applies to all SUAGM employees and faculty involved in the Administration of Sponsored Programs.
III. DEFINITIONS

1. ADMINISTRATION – includes all activities related to the preparation, revision, packaging and/or submission of a proposal to a Sponsoring Agency; all decision making activities regarding the subcontracting or purchasing of goods and/or services utilizing funding from a Sponsored Program; the financial management of a Sponsored Program including, but not limited to budgeting, purchasing, reporting, accounting, travel preparation, disbursements, collections, inventory and Sponsored Program close-out; and all programmatic work performed directly on the Sponsored Program.

2. BASE SALARY – an employee’s or faculty member’s compensation by SUAGM (excluding fringe benefits, F & A costs, bonuses or Supplemental Compensation), consistent with SUAGM policies, for work performed during the appointment period. (Base Salary for work performed on Sponsored Programs by employees or faculty members having only part-time appointments will be determined at rate not in excess of that regularly paid for part-time assignments).

3. CO – Investigator (CO-PI) – an individual involved with the principal investigator in the development or execution of a project. A co-investigator typically devotes a specified percentage of time to the project and is considered “key personnel” as, also defined in this policy. The designation of a co-investigator, if applicable, does not affect the principal investigator's roles and responsibilities as specified in this policy statement.

4. EXEMPT EMPLOYEES – are those who are exempt from certain wage and hours laws, i.e., overtime pay; usually applies to administrative, executive, or professional employees who receive an annual salary, in equal payments weekly, bi-weekly, or at some other specified time interval.

5. FACILITIES & ADMINISTRATIVE COSTS (F & A) - expenditures incurred for common or joint objectives not readily and specifically identified with a particular Sponsored Program, instructional activity, or institutional activity. F & A Costs is synonymous with “indirect” costs or “over head” costs.

6. FRINGE BENEFITS – includes regular compensation paid to faculty and employees during periods of authorized absences, such as annual leave, sick leave, or military leave and SUAGM contributions or expenses for social security, employee insurance, workmen’s compensation insurance, tuition or remission of tuition (except for family members) in accordance with established educational institutional policies.

7. HRO – Human Resources Officer
6. **INCIDENTAL WORK** – additional work carried out by the faculty member or employee in excess of his/her responsibilities as defined by his or her job description or contract for a limited period of time related to a sponsor.

9. **KEY PERSONNEL** – Refers to the Principal Investigator (PI), Co-Principal Investigator (CO-PI) and Project Director (PD).

10. **NON-EXEMPT EMPLOYEES** – receive hourly wages; they are subject to wage and hour laws, i.e. overtime pay; usually applies to non-professional employees.

11. **OMB** – acronym for the Executive Office of the President Office of Management and Budget.

12. **PERSONNEL ACTION FORM** – the official form utilized at SUAGM to record any personnel changes or events for faculty and administrative staff.

13. **POSITION CONTROL NUMBER** – assigned to each position at SUAGM that determines (controls) the fiscal year, status, salary, effective dates, percentage of effort and source of funding.

14. **PRINCIPAL INVESTIGATOR** (P1) – individual responsible for the overall conduct of the Sponsored Program including intellectual conduct, fiscal accountability, administrative aspects and adherence to institutional policies and OMB Circular requirements.

15. **PROJECT** – a collection of processes, activities and supporting resources, whose objectives is to carry out SUAGM’s mission or specific program – associated elements of the mission.

16. **PROJECT DIRECTOR** (PD) – synonym for Principal Investigator on non-research Sponsored Programs.

17. **REGULAR COMPENSATION** – all remuneration including salaries, wages, and fringe benefits paid currently or accrued by SUAGM for work performed by employees and faculty during the period of performance under Sponsored Programs.

18. **RELEASE TIME** – the amount of time an individual is freed from regular duties for another activity (such as a sponsored project). There are two (2) types of release time: (a) Sponsor paid release time and (b) College paid release time. Sponsor paid release time funds are transferable from the project account to the divisional or department account and may be used in accordance with this policy.

19. **SPFM** – acronym for the Assistant Vice-President of Sponsored Programs Financial Management.

20. **SPO** – Sponsored Program Officer
21. **SPONSORED PROGRAM** – all Projects financed through an external funding source including Federal, State, Municipal, or Local Government and/or Private agencies and organizations which involve the performance of work in the form of instruction, research, service and/or support.

22. **SPONSORING AGENCY** – means an organization providing funds for the performance of Sponsored Program.

23. **SUAGM** – acronym for Ana G. Méndez University System. Refers to the Central Administration and all its Colleges, Universities and Centers, including, but not limited to Universidad del Este (UNE), Universidad Metropolitana (UMET), Universidad del Turabo (UT) and Centro de Telecomunicaciones y Educación a Distancia (CETED).

24. **SUAGM SPONSORED PROGRAM INTERNAL CLEARANCE FORM** – an official SUAGM form used to obtain internal approval for certain payments under Sponsored Programs.

25. **SUPPLEMENTAL COMPENSATION** – additional compensation above the Base Salary, for work carried out by a faculty member or employee in excess of his or her responsibilities as defined by his or her job description or contract (including Incidental Work) and that is allowable by the applicable funding source.

26. **TIME & EFFORT** – refers to the effort a faculty member or employee expends on research, teaching, administration, clinical activity or any other activity for which he or she receives a Base Salary by SUAGM. The aggregate of all such activities must equal 100%, regardless of the actual number of hours worked or the fact that the individual has an FTE (full-time equivalent) appointment. For non-exempt employees effort reporting includes activities for which he or she receives overtime pay. Excluded from effort reporting is associated with bonus pay, Supplemental Compensation for exempt employees, or compensation received by the individual from sources other than SUAGM.

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### IV. POLICY STATEMENT

Charges for work performed on Sponsored Programs by faculty members or employees or SUAGM must be reasonable for the work performed and will be based on the individual’s Regular Compensation. In no event will charges to Sponsored Programs with respect to faculty or employee Base Salary exceed the proportionate share of the Base Salary for any given period, irrespective of the basis of computation. Sponsored Programs funds may not be used to increase the Base Salary or rate of pay of faculty or employees. Salaries charged against a Sponsored Program must be consistent with SUAGM Human Resources policies and practices, unless the grant provides for a more
favorable scale and its application is approved by SUAGM, the Sponsoring Agency and the Human Resources Office.

Fringe Benefits are allowable, provided such costs are distributed to all institutional activities in proportion to the relative amount of Time & Effort actually devoted by the faculty member or employee, and such benefits are granted in accordance with established SUAGM policies.

A. Faculty

1. Full Time and par-time faculty members may serve as Principal Investigators (PI), Co-Principal Investigators (CO-PI), or Project Directors (PD) on Sponsored Programs. The engagement of faculty members in Sponsored Programs must be approved in writing by an immediate supervisor. The signature of the Supervisor (Dean / Director) on the SUAGM Sponsored Program Internal Clearance Form and / or the Supervisor Authorization for Employee Participation on Sponsored Programs evidence of such approval.

2. Release Time is the proportionate share of the Base Salary and Fringe Benefits covered by the Sponsoring Agency and dedicated to the Sponsored Program. All or part of the funds released in the institution's budget may be used to contract human resources to fulfill those functions from which the faculty member has been released in order to be engaged in the Sponsored Program or may be used to pay a bonus or incentive to the released faculty member in accordance with institutional policy and as permitted by the relevant Sponsoring Agency.

3. The apportionment of faculty Base Salary that is chargeable to more than one Sponsored Program will reflect the distribution of charges in accordance to the percentage of Time & Effort proposed to and awarded by the Sponsoring Agency.

4. In the case of Full-time faculty, intra-university consulting is assumed to be carried-out as a university obligation requiring no compensation in addition to the full-time Base Salary, this applies to those who function as consultants or otherwise contribute to Sponsored Programs conducted by another faculty member of SUAGM. However, in unusual cases where the Sponsored Programs 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 departmental workload, Supplemental Compensation for such work above the Base Salary is allowable provided that the work arrangements and Supplemental Compensation are specifically provided for in the Sponsored Program.
proposal and agreement, or approved in writing by the Sponsoring Agency.

5. Incidental Work for which Supplemental Compensation is paid under institutional policy is not to be considered as part of the Base Salary of the individual, and must be separately identified and documented in the financial management system of the institution. Supplemental Compensation for such Incidental Work may be charged to the Sponsoring Agency if the work is specifically provided for in the Sponsored Program proposal and agreement, or approved in writing by the Sponsoring Agency.

6. Faculty members may perform Incidental Work for Supplemental Compensation equivalent to no more than 9 contact hours of academic overload per week or equivalent.

7. A faculty member with an academic appointment of less than 12 months can receive Supplemental Compensation for sponsored research conducted during the months not covered by the academic appointment, not to exceed his or her Base Salary divided by the number of months in the appointment period.

8. The apportionment of faculty Base Salary which is chargeable to more than one Sponsored Program will: 1) reflect an equitable distribution of charges for the faculty member's activities that is consistent with the percentage indicated in the grant awarded; and 2) distinguish the faculty member's direct activities from his or her F&A activities. It is recognized that service and administration are often intermingled. Therefore, the distribution of charges is based on estimates in which a degree of tolerance is appropriate.

In the use of any methods for apportioning salaries, it is recognized that, in an academic setting, teaching, research, services, and administration are often inextricably intermingled. A precise assessment of factors that contribute to costs is not always feasible; nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate.

B. Exempt, Administrative Employees

1. Exempt, administrative personnel may serve as Principal Investigators (PI), Co-Principal Investigators (CO-PI), or Project Directors (PD) on Sponsored Programs with the approval of the immediate supervisor. In order to participate actively in a Sponsored Program, the signature of the immediate supervisor of the exempt administrative employee must be obtained on the SUAGM Sponsored Program Internal Clearance Form.
and / or the Supervisor Authorization for Employee Participation on Sponsored Programs is evidence of such approval.

2. Release Time is the proportionate share of the Base Salary and Fringe Benefits covered by the Sponsoring Agency and dedicated to the Sponsored Program. The Release Time reflects the percentage of Time & Effort proposed to and awarded by each Sponsoring Agency.

3. If the work carried out by exempt administrative personnel with regard to a Sponsored Program is not specific to the Sponsored Program, but is instead a common or joint work activity that is part of their regular employment and is calculated as part of the negotiated Facilities and Administration cost (F & A), also known as indirect costs, they may not received compensation as direct cost of the program, nor Supplemental Compensation for such work.

4. The apportionment of an exempt administrative employee’s Base Salary which is chargeable to more than one Sponsored Program will: 1) reflect an equitable distribution of charges for the employee’s activities that is consistent with the percentage indicated in the grant awarded; and 2) distinguish the employee’s direct activities from his or her F & A activities. It is recognized that service and administration are often intermingled. Therefore, the distribution of charges is based on estimates in which a degree of tolerance is appropriate.

In the use of any methods for apportioning salaries, it is recognized that, in an academic setting, teaching, research, services, and administration are often inextricably intermingled. A precise assessment of factors that contribute to costs is not always feasible, nor is it expected. Reliance, therefore, is placed on estimates in which a degree of tolerance is appropriate.

5. Incidental Work for which Supplemental Compensation is paid under institution policy is not to be considered as part of the Base Salary of the individual, provided that such work and compensation are separately identified and documented in the financial management system of the institution.

6. Supplemental Compensation for such Incidental Work may be charged to the Sponsoring Agency if the work is specifically provided for in the Sponsored Program proposal and agreement, or approved in writing by the Sponsoring Agency.

7. Exempt administrative personnel, with written approval of their supervisor, may perform Incidental Work outside of the regular work load for Supplemental Compensation equivalent to no more than 20 hours weekly.
C. Non-Exempt Administrative Personnel

1. Non-exempt administrative personnel may participate in Sponsored Programs and their salary may be charged as a direct cost with the written approval of their immediate supervisor only if: 1) a major project or activity requires and explicitly budgets for administrative or clerical services and the personnel involved are specifically identified with the Sponsored Program; and 2) the direct charge was justified and clearly explained in the proposal and is part of the written agreement with the sponsoring agency. In order to participate actively in a Sponsored Program, the signature of the immediate supervisor of the non exempt administrative employee must be obtained on the SUAGM Supervisor Authorization for Employee Participation on Sponsored Programs is evidence of such approval.

2. Exempt, administrative personnel may serve as Principal Investigators (PI), Co-Principal Investigators (CO-PI), or Project Directors (PD) on Sponsored Programs with the approval of the immediate supervisor.

3. However, if the work conducted by the non exempt administrative personnel with regard to a Sponsored Program is not specific to the Sponsored Program, but is common or joint work activity that is part of their regular employment that is calculated as part of the negotiated Facilities and Administration cost (F & A), also known as indirect costs, they may not receive compensation as a direct cost of the program, the approving Immediate Supervisor shall authorize in writing Supplemental Compensation for such work.

4. If the work of the non-exempt administrative personnel qualifies as a direct cost under the Sponsored Program, the approving immediate supervisor may authorize in writing Supplemental Compensation for Incidental Work conducted:
   
   a. outside the employee’s regular work hours that is:

   1. in excess of his or her responsibilities as defined by his or her job description or contract and
   2. separately documented and identified in the financial management system.

5. This type of work requires double compensation. The difference in compensation to be paid to the employee under these circumstances as required by law must be compensated by the contracting unit of the institution or paid in by the grant proportionate to the Time & Effort described. The hours assigned to fulfill these duties, without exception, shall include the established time by law for the consumption of meals and
must provide a period of rest not less than twelve (12) consecutive hours between working hours.

6. If the non-exempt employee does not rest twelve (12) consecutive hours between working hours, extra compensation is required according to law.

7. Non-exempt administrative personnel, with written approval of their supervisor, may perform Incidental Work outside of the regular work hours for Supplemental Compensation equivalent to no more than 15 hours weekly, distributed in 2 daily hours, Monday through Friday, and no more than 5 hours on Saturdays.

V. RESPONSIBILITIES

A. SPONSORED PROGRAM FINANCIAL MANAGEMENT (SPFM)

1. Provide a copy of this policy to each faculty member or employee of SUAGM, engaged in the Administration of Sponsored Programs.

2. Provide orientation regarding this Policy and/or the OMB Circulars referred to herein, as appropriate, to faculty members and employees of SUAGM.

3. Endorse all Personnel Action Forms related to Sponsored Programs.

4. Activate and maintain the Position Control in the SUAGM personnel management system for each employee funded by a Sponsored Program.

5. Immediately report infringements of this policy to the SUAGM Presiding Officer or his/her delegate

B. HUMAN RESOURCES OFFICE

1. Obtain and thoroughly read, understand, comply with and/or request an orientation regarding this policy.

2. Verify information provided on Sponsored Program proposals regarding personnel appointments.

3. Receive, evaluate and approve all Personnel Action Forms.

4. Submit all approved Personnel Action Forms to the SPFM for necessary action.
5. Assign a Position Control Number in the SUAGM accounting system for each individual employed through finding from a Sponsored Programs.


7. Immediately report known infringements to this policy to the SPFM office.

C. SPONSORED PROGRAM OFFICE

1. Provide a copy of this policy to each faculty member or employee of SUAGM, engaged in the Administration of Sponsored Programs.

2. Obtain and thoroughly read, understand, comply with and/or request an orientation regarding this policy.

3. Provide orientation regarding this Policy and/or the OMB Circulars referred to herein, as appropriate, to faculty members and employees of SUAGM.

4. Immediate report known infringements to this policy to the SPFM office.

5. Provide direction in the preparation of proposals and the SUAGM Sponsored Programs Internal Clearance Form.

6. Verify and approve information provided in the proposal for Sponsored Programs.

7. Receive, evaluate and send for the signature of the Chancellor all Personnel Action Forms.

D. SUAGM FACULTY MEMBERS AND EMPLOYEES ENGAGED IN THE ADMINISTRATION OF SPONSORED PROGRAMS

1. Obtain and thoroughly read, understand, comply with and/or request an orientation regarding this policy.

2. Consult with the Sponsored Programs Officer and the Human Resources Officer at his/her university for direction in the preparation of all Sponsored Program proposals.

3. Submit the final draft copy of the complete proposal for Sponsored Programs and the complete Internal Clearance Form to the Sponsored Program Officer at his/her institution for verification and approval.

4. Submit the final draft copy of the proposed budget to the SPFM along with the CFR, where applicable, for verification and endorsement.
5. Submit all Personnel Action Forms to the Sponsored Programs Officer for approval and submission to the Human Resources Officer at his/her institution.

E. CHANCELLOR OFFICE

1. Receive, sign and approve all Personnel Action Forms notified by the Sponsored Program Office.

2. Submit all approved Personnel Action Forms to the Human Resources Officer for necessary action.

VI. APPROVALS

Jose P. Mendez
President

Victoria de Jesus, Ed.D.
Vicepresident of Human Resources

Alfonso Davila
Interim Vicepresident of Financial Affairs

6/12/06
Date

6/13/06
Date

6/5/06
Date
27 de junio de 2006

Comunidad Universitaria

Sr. José F. Méndez
Presidente

POLÍTICA DE COMPENSACIÓN PARA PERSONAL QUE TRABAJA EN PROPUESTAS CON FONDOS EXTERNOS

El incremento significativo en el número de asociados y profesores que trabajan en Propuestas y otros proyectos que utilizan fondos federales o estatales, hacen necesario que se formule una Política de Compensación para personal que trabaja en Propuestas.

Esta política tiene fecha de efectividad del 1 de junio de 2006. El cumplimiento con la misma es altamente compulsorio. Es responsabilidad de cada supervisor leer y analizar la misma con su equipo de asociados.

Durante los meses de agosto y septiembre de 2006 la Vicepresidencia de Finanzas (Fondos Restricciones), la Vicepresidencia de Recursos Humanos (Compensación y Beneficios) y la Vicepresidencia de Asuntos Académicos (Fondos Externos) estarán ofreciendo una serie de seminarios a supervisores sobre el alcance y las posibles interpretaciones y aplicaciones de esta política en el Sistema Universitario Ana G. Méndez.

Esperamos su colaboración y esfuerzo máximo para entender y cumplir con esta disposición:

c. Dra. Victoria de Jesús
   Sr. Jorge Crespo
   Sr. Alfonso Dávila