

# SUPPLEMENTAL COMPENSATION ON EXTERNALLY SPONSORED PROJECTS POLICY

SLT 3.11.3

**Date of Last Update:**

September 04, 2019

**Approved By:**

- Senior Leadership Team

**Responsible Office:**

Office of Sponsored Programs

## POLICY

Grand Valley State University (the University) normally does not allow for compensation charges in excess of an individual's Institutional Base Salary on any Externally Sponsored Project (as defined in [SLT 3.11: EXTERNALLY SPONSORED PROJECTS POLICY](#)). In most cases, funding from such projects must supplant, not supplement Institutional Base Salary during the Base-funded Appointment Period.

In the absence of unusual circumstances and specific Prior Written Approval (as defined in [SLT 3.11.1: ALLOWABLE COSTS POLICY](#)) from the appropriate University and/or sponsor officials as described in this policy, faculty member compensation for sponsored-project work at the University must offset Institutional Base Salary through:

1. The use of Significant Focus Time (as defined in [SG 3.01: FACULTY RESPONSIBILITIES](#));
2. The application of Reassigned Time (as defined in [SG 3.03: REASSIGNED TIME](#)); or
3. Some combination of Significant Focus Time and Reassigned Time.

Absent Prior Written Approval for Supplemental Compensation following procedures stated below, Administrative/Professional staff members must also offset Institutional Base Salary to participate in externally sponsored projects (supplant, not supplement). Such offsets shall require a reorganization of established job duties in the staff member's organizational unit that is approved by the staff member's Appointing Officer and Executive Officer.

In order to charge Supplemental Compensation to federally funded Externally Sponsored Project accounts at the University, the work performed must be justifiable as Intra-Institution of Higher Education Consulting as defined at [2 CFR 200.430—COMPENSATION: PERSONNEL](#)

[SERVICES](#), which limits such charges according to their adherence to specific criteria. Such consulting must be:

1. Across departmental lines or involve a separate or remote location that is at least 30 miles away from the employee's University campus office;
2. Outside the scope of the employee's regular appointment as documented in the employee's appointment letter;
3. Short term in nature; and
4. Provided for in the sponsored agreement, or approved in writing by the sponsoring agency prior to the incurrence of applicable expenses.

In order to charge Supplemental Compensation to a non-federal Externally Sponsored Project account, the allocation is subject to the prior written approval of the Vice Provost for Research Administration as well as the sponsoring agency.

## DEFINITIONS

**Base Appointment Period** at the University generally falls into one of two categories:

1. An Academic Year Appointment is comprised of the nine-month span from August 6 of a given calendar year to May 5 of the following calendar year.
2. A 12-month Appointment is comprised of the twelve-month span from August 6 of a given calendar year to August 5 of the following calendar year.

**Institutional Base Salary** is the annual salary the University pays for an employee's appointment, regardless of appointment category and whether the employee's time is spent on research, teaching, administration, patient care, or other University responsibilities. Institutional Base Salary does not include bonuses, one-time payments, incentive pay, or income that an employee is permitted to earn outside of their University responsibilities such as Private Consulting.

**Private Consulting** refers to works for hire performed by a University employee outside of their University responsibilities. To be deemed private consulting, work must be performed without the use of any University resources, including administrative services of any kind, facilities (classroom, clinical, meeting, or office space), supplies, equipment, computing resources, and any other service or resource owned by the University. Any outside employment must be approved in advance by the Appointing Officer (BOT 4.1.10). Consulting services that require the use of University resources are subject to [SLT 3.17: SERVICE AND CONSULTING AGREEMENTS POLICY](#).

**Supplemental Compensation**, also known as extra salary or extra service pay, is compensation a University employee receives in excess of Institutional Base Salary; Supplemental Compensation represents payments for services outside the normal scope of employment.

For more information about this policy and the procedures established to ensure compliance with it, please contact the Office of Sponsored Programs at 616-331-6826 or [osp@gvsu.edu](mailto:osp@gvsu.edu).

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