

May 4, 2009

## **UNIVERSITY POLICY ON CHARGING COMPENSATION TO SPONSORED PROJECTS FOR OFFICERS OF INSTRUCTION**

### **INTRODUCTION**

Full-time officers of instruction (“officers of instruction”), except for those appointed for only one term, are paid in 12 equal monthly installments for service rendered over academic calendars of varying lengths. The University’s general provisions governing this compensation are set forth on page 70 of the Faculty Handbook (2008). They can also be found in the online Faculty Handbook at:

<http://www.columbia.edu/cu/vpaa/handbook/instruction.html#compensation>.

The Policy described in this statement applies to the charging of compensation for officers of instruction to externally sponsored projects. Such compensation can take two forms: reimbursement of Academic Year Salary (i.e., institutional base salary), and Additional Compensation.

Academic Year Salary is compensation provided for service to the University during the regular academic terms, including but not limited to research, teaching, clinical activities, and administrative responsibilities. Different campuses or schools have academic terms of varying lengths:

- For the Morningside campus, with the exception of the Graduate School of Business, Academic Year Salary is compensation for services during the 9-month period from September through May.
- For the Graduate School of Business, which is on a trimester schedule, Academic Year Salary covers the eight-month period during which the officer of instruction is providing services; the remaining four months is known as “off-term.”
- For most of the Columbia University Medical Center, Academic Year Salary covers 12 months of service, with some exceptions in the School of Nursing and the Mailman School for Public Health.

Additional Compensation is compensation for extra services to the University, paid in addition to the Academic Year Salary. As set forth below, in rare circumstances, Additional Compensation may be charged to a sponsored project during the regular academic terms. Officers of instruction providing less than 12 months of service may also earn Additional Compensation from a sponsored project during the summer or “off-term.”

Whenever compensation is charged to a sponsored project, federal regulations require a certification that the compensation charged is reasonable in relation to the effort provided (the “effort certification” or “effort report”). Accordingly, all officers of instruction and officers of research (except for post docs) who have compensation charged to a sponsored project must complete an annual effort certification and must also complete an on-line

training in Effort Reporting Policy and Process. The effort reporting regulations are complex and detailed, and the University has established a website dedicated to effort reporting, [www.effortreporting.columbia.edu](http://www.effortreporting.columbia.edu), that includes reference guides, frequently asked questions, and other resources to assist the research community in this area. All individuals who receive compensation from sponsored projects are encouraged to review these materials.

This Policy is intended to assure that the University's practices with respect to charging compensation to sponsored projects comply with applicable federal regulations, including the Office of Management and Budget Circular A-21 and granting agency requirements. Charging compensation to a sponsored project is allowable only to the extent that it complies with such requirements and with the University's policies.

Compensation funded by the National Science Foundation is limited to two months in total, regardless of the number of NSF-sponsored projects or when such salary is paid, unless special permission is obtained from NSF.

## **1. Academic Year Salary Reimbursement and Summer Salary**

As set forth below, full-time officers of instruction may charge a portion of Academic Year Salary to sponsored projects ("Sponsored Academic Year Salary"); full-time officers of instruction providing less than twelve months of service may also charge Summer Salary to sponsored projects ("Sponsored Summer Salary"):

### **A. Sponsored Academic Year Salary**

1. To the extent that officers of instruction receive Sponsored Academic Year Salary, they must devote no less than the commensurate time during the Academic Year to the applicable Sponsored Project.
  - Sponsored Academic Year Salary is not Additional Compensation. It is Academic Year Salary, i.e., institutional base salary, which is funded by a Sponsored Project.
  - The rate for Sponsored Academic Year Salary is the same as the rate for non-sponsored academic year salary, and is computed based upon the number of months for which the Faculty member is appointed. For example, a Faculty member on a nine-month academic calendar who devotes one month of effort to a Sponsored Project during the Academic Year may charge one-ninth of his or her academic-year salary to the Sponsored Project.
  - Sponsored Academic Year Salary should be appropriately allocated to reflect work on the Sponsored Project. For example, if an officer of instruction plans to work on a Sponsored Project throughout the Academic Year, the commensurate Sponsored Academic Year Salary may be allocated across the academic year.

2. During the regular academic terms, officers of instruction typically engage in non-sponsored University activities, such as teaching, service on committees, advising students and other non-sponsored activities. These activities must be funded by the relevant school or department, and may not be charged to Sponsored Projects.

### **B. Non-Sponsored Summer Salary**

Officers of instruction providing less than 12 months of service, who receive Sponsored Academic Year Salary, may also receive Additional Compensation during the Summer or off-term from non-sponsored funding sources (“Non-sponsored Summer Salary”), with the expectation that they will perform non-sponsored University activities during that time. Such payments are governed by the University’s policies on additional compensation described in the *Faculty Handbook*.

### **C. Sponsored Summer Salary**

1. Sponsored Summer Salary is paid as Additional Compensation during the summer.
2. Faculty who receive Sponsored Summer Salary must expend the associated effort during the Summer. Effort expended during the academic year does not satisfy a commitment related to the receipt of Sponsored Summer Salary.
3. A Faculty member may not receive Sponsored Summer Salary for activities other than Sponsored Research. That means that to the extent that a Faculty member is engaged in non-sponsored University activities, including proposal writing, (s)he may not be compensated for that work from Sponsored Projects.
4. The maximum amount of Sponsored Summer Salary permissible is three-ninths of the faculty’s regular academic year salary (and in the case of NSF summer salary, that amount is limited to 2 summer months less any Academic Year Salary supported by NSF). In other words, in any year, a faculty member may receive no more than three months of Sponsored Summer Salary. Each month of Sponsored Summer Salary represents one month of full-time effort.
5. The rate for Summer Salary is the same as the rate for the regular academic year salary. Because Columbia’s fiscal year begins on July 1, the Summer Salary rate is as follows:
  - June: 1/9 of current regular academic year salary.
  - July/August: 1/9 of succeeding year’s academic salary for each month worked.
6. NIH’s maximum salary limitation applies to summer salary just as it does to academic year salary. Therefore, any monthly Sponsored Summer Salary charge

is limited to one-twelfth of the NIH maximum. Consult the Sponsored Projects Administration website for NIH's current Executive Level I salary cap.

7. Sponsored Summer Salary does not accrue any vacation time. Accordingly, Sponsored Summer Salary may only be charged to a sponsored project to the extent of time actually devoted to the sponsored project.

**D. Academic Year Additional Compensation on Sponsored Projects**

In unusual situations, faculty may earn Additional Compensation that is funded by a grant or contract during the regular academic terms on a grant or contract. The following requirements apply to such Additional Compensation:

1. Additional Compensation is allowable subject to the regulations of the funding agency and the University's policies.
2. Additional Compensation included on a sponsored project budget as intra-university consulting is not usually allowable.
3. In unusual cases, Additional Compensation budgeted as intra-university consulting may be allowable, provided that all of the following are satisfied:
  - the work performed is across campuses or involves a separate or remote operation;
  - the work performed by the faculty member is in addition to his or her regular departmental load and is temporary, and not recurring;
  - the faculty member's total effort, including the effort associated with the Additional Compensation, does not exceed 100%;
  - the rate of compensation is the same as the rate for the faculty's regular academic salary;
  - the arrangement has been approved by: (a) the chair of the faculty member's department; (b) Sponsored Projects Administration, in consultation with Sponsored Projects Finance as applicable; (c) the appropriate dean or vice president; and (d) the Provost or, in the Medical Center, the Executive Vice President for Health and Biomedical Sciences.
  - all applicable regulatory requirements are met.
4. In any grant application that requests Additional Compensation, the budget justification must state explicitly that the salary listed for the relevant faculty member represents Additional Compensation above the faculty member's base salary. In addition, prior approval for such Additional Compensation must be explicitly sought and obtained from the funding agency in accordance with agency requirements.

5. The requirements set forth in Paragraph D.4 also apply to any subsequent re-budgeting to pay Additional Compensation after the award is made. Where a sponsor's prior approval for such rebudgeting is not required, Sponsored Projects Administration will coordinate University approval.
6. NIH's maximum salary limitation applies to Additional Compensation just as it does to academic year salary. Therefore, any Additional Compensation charge is limited to one-twelfth of the NIH maximum. Consult the Sponsored Projects Administration website for NIH's current Executive Level I salary cap.
7. Processing of Additional Compensation payments should follow the usual procedures in WebSAF.

*See also:* The Faculty Handbook (Columbia University 2008), pp. 70-72  
<http://www.columbia.edu/cu/vpaa/fhb/>

NIH Grants Policy Statement  
[http://grants1.nih.gov/grants/policy/nihgps\\_2003/NIHGPS\\_Part6.htm](http://grants1.nih.gov/grants/policy/nihgps_2003/NIHGPS_Part6.htm)

NSF Grant Proposal Guide(Feb. 2009), Section II-11  
[http://www.nsf.gov/pubs/policydocs/pappguide/nsf09\\_29/aag0929print.pdf](http://www.nsf.gov/pubs/policydocs/pappguide/nsf09_29/aag0929print.pdf)

Office of Management & Budget Circular A-21 (05/10/2004),  
section J(10)(d)(2)  
[http://www.whitehouse.gov/omb/circulars/a021/a21\\_2004.pdf](http://www.whitehouse.gov/omb/circulars/a021/a21_2004.pdf)