



**Extra State Compensation from Sponsored Projects for FIU Personnel
2350.025**

INITIAL EFFECTIVE DATE: February 11, 2004	LAST REVISION DATE: March 30, 2021	RESPONSIBLE UNIVERSITY DIVISION/DEPARTMENT Office of Research and Economic Development/ Post-Award
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POLICY STATEMENT

Extra state compensation to be paid from a federally sponsored Project ID will only be considered for review in rare circumstances and only when all of the following conditions are met:

1. The request for extra state compensation is included in the proposal for the sponsored project and is clearly identified as an extra state compensation request in the budget and budget justification of the proposal. Any request for extra state compensation that was not clearly identified as such **IN THE PROPOSAL BUDGET AND BUDGET JUSTIFICATION** will **NOT** be considered absent the specific requirements set forth in the Procedures of this policy.
2. The sponsor specifically approves the extra state compensation payment, in writing, or the extra state compensation payment is set forth specifically in the award document as an extra state compensation payment.
3. The work for which the extra state compensation payment is sought is across departmental lines (i.e., involves a field different from the FIU employee's) or involves a separate or remote location.
4. The work for which the extra state compensation payment is sought is to be performed in addition to the FIU employee's regular departmental load pursuant to applicable Academic Affairs or Human Resources policies. Because research is part of faculty's normal departmental load, extra state compensation for faculty on a sponsored research project will generally **NOT** be permitted. Any other FIU employee whose regular departmental load or assignment includes research will also generally be ineligible to receive extra state compensation from a sponsored research project.
5. The payment is in accordance with FIU policy regarding extra state compensation payments applicable to the employee; and
6. The work to be performed by the employee benefits the sponsored project during the project period.



For Project IDs with sponsors other than a federal agency, ORED may approve extra state compensation if:

1. The project is not a research project; i.e., the project is for training, community service or other sponsored activity.
2. The extra state compensation is allowed pursuant to the Academic Affairs or Human Resources policies described in the Procedures; and
3. ORED determines that the extra state compensation is appropriate in light of the information provided by the PI in the ORED Extra State Compensation Approval Request Form.

SCOPE

N/A

REASON FOR POLICY

To ensure compliance with federal regulations and FIU policies regarding payment of extra state compensation on sponsored projects.

DEFINITIONS

TERM	DEFINITIONS
Extra State Compensation	For purposes of this policy, payment for work on a sponsored project representing extra compensation above the employee’s base salary provided (1) such payment is approved in writing by the project sponsor or specifically provided for in the sponsored project agreement; and (2) the work on the sponsored project is across departmental lines or involves a separate or remote operation, and the work performed is in addition to the employee’s regular departmental load.
PI	The principal investigator on a sponsored project.

RELATED RESOURCES

Academic Affairs policy # 320.005, Appointment (UFF) Policy, Section on Extra Compensation Appointments

Human Resources policy # 1710.110, Dual Employment and Compensation



Office of Research and Economic Development policy # 2350.001, Budget Modifications on Sponsored Projects”

OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, 2 CFR Part 200 (the “Uniform Guidance”) Section 200.430 provides, in part: “Intra-Institution of Higher Education (IHE) consulting. Intra-IHE consulting by faculty is assumed to be undertaken as an IHE obligation requiring no compensation in addition to IBS. However, in unusual cases where 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 responsibilities, any charges for such work representing additional compensation above IBS are allowable provided that such consulting arrangements are specifically provided for in the Federal award or approved in writing by the Federal awarding agency.”

CONTACTS

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HISTORY

Initial Effective Date: February 11, 2004; Office of Sponsored Research Administration Faculty/Staff Guide for the Administration of Externally Funded Projects, INTERIM VERSION
Review Dates (*review performed, no updates*): N/A

Revision Dates (*updates made to document*): July 8, 2010, August 28, 2013, April 18, 2017 and April 22, 2020; March 30, 2021



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2350.025a**

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PROCEDURE STATEMENT

Federal regulations provide that intra-institutional consulting on sponsored projects is expected such that extra state compensation may only be granted in "unusual cases." Extra state compensation to be paid from a sponsored Project ID will be permitted by the Office of Research and Economic Development only when all conditions required by federal regulations and the project sponsor's requirements are met.

Procedures for request of extra state compensation on sponsored projects are as follows:

AT TIME OF PROPOSAL SUBMISSION:

1. If the PI seeks to request extra state compensation to be paid from a sponsored Project ID, the PI must:
 - a. Include the request in the proposal budget and budget justification submitted to Pre-Award as part of the complete proposal packet provided to Pre-Award for review. All requests for extra state compensation must be included in the proposal budget and budget justification AND CLEARLY IDENTIFIED AS A REQUEST FOR EXTRA STATE COMPENSATION. Any extra state compensation not so identified will not be considered.
 - b. Complete the Extra State Compensation Approval Request form (on the Office of Research and Economic Development website) and submit the completed form to Pre-Award as part of the complete proposal packet.
 - c. Submit the complete proposal packet to Pre-Award at least ten (10) business days prior to the sponsor proposal deadline.
2. Pre-Award will review the request, the federal regulations, sponsor guidelines and FIU policies to determine if they permit the extra state compensation request to be made in the proposal. If the Pre-Award representative determines that the request for extra compensation is permissible, the request will continue to be included in the proposal so that the sponsor may review the request. If Pre-Award determines that the request for extra state compensation is not permissible in light of the federal regulations, the sponsor guidelines or FIU policies, then the proposal Budget and Budget Justification must be revised to exclude the request. Note that some federal sponsors do not allow extra state compensation and only allow payment of the employee's base salary.

AT TIME OF AWARD:

If an award is received for a proposal which included a request for extra state compensation that was approved by Pre-Award the processing of the extra state compensation will be done as follows:

1. The PI must contact the Post-Award, representative for the project and request approval for the payment of extra state compensation. If the award or a separate writing from the sponsor does not specifically approve the payment of the extra state compensation request, Post-Award, will contact the sponsor to inquire if the extra state compensation requested in the proposal is approved. The budget and budget justification from the proposal, as well as the information provided in the Extra State Compensation Approval Request form provided at proposal time, will be used as the basis for Post-Award's communication to the sponsor. In accordance with federal regulations, specific written approval for the extra state compensation from the sponsor is required or the extra state compensation must be specifically provided for in the sponsored project agreement.
2. After the above review and communication with the sponsor, if necessary, the Post Award representative will contact the project PI to advise if the requested extra state compensation may be paid from the Project ID.
3. If the extra state compensation payment is approved by Post-Award, the PI may then proceed to process the requests through Academic Affairs (for UFF faculty) or Human Resources (for non-UFF faculty and other FIU employees) pursuant to the FIU policy applicable to the employee's employment status. Note that for faculty, the completion of the Academic Affairs form entitled "Explanation of Extra State Compensation Request on a Contract/Grant Account" must be completed and sent to Post-Award for review and execution before sending to Academic Affairs.

CHANGES TO PROJECT PERSONNEL AFTER PROPOSAL SUBMISSION:

There may be situations after a proposal is submitted that may necessitate the PI changing the project personnel staffing that was originally proposed. This may occur mostly with multi-year projects. In such circumstances, there may be rare situations where it may be appropriate to seek to pay the newly added project personnel on an extra state compensation basis. Requests for extra state compensation for project personnel added after the proposal was submitted to the sponsor will be processed by the PI contacting the Post-Award representative for the project and requesting approval for the payment of extra state compensation as follows:

1. If a budget modification is needed, the PI must prepare and submit to Post-Award, a budget modification request pursuant to policy # 2350.001, "Budget Modifications on Sponsored Projects." In that budget modification request, the PI must explain the

reason why the project personnel change is needed and state that a request is being made for the new project personnel to be paid on an extra state compensation basis, identifying the request specifically as an extra state compensation request.

2. Complete the Extra State Compensation Approval Request form (on the Office of Research and Economic Development website) and submit it to
3. Post-Award, together with the budget modification request form (item #1 above), if a budget modification is needed.
4. Post-Award will review the request for the extra state compensation and for the budget modification, if any, the federal regulations, sponsor guidelines and FIU policies to determine if the extra state compensation and the budget modification may be processed. If Post-Award determines that the request is appropriate, Post-Award will then contact the sponsor to inquire if the extra state compensation requested is approved. In accordance with federal regulations, specific written approval for the extra state compensation from the sponsor is required.
5. Note that, among the factors necessary for extra state compensation to be permissible, is that the work for which the extra state compensation payment is sought must be performed in addition to the FIU employee's regular departmental load. Because research is part of faculty's normal departmental load, extra state compensation for faculty on a sponsored research project will generally NOT be permitted. Any other FIU employee whose regular departmental load or assignment includes research will similarly be ineligible to receive extra state compensation from a sponsored research project.
6. Note also, that requests for extra state compensation made after a proposal was submitted to the sponsor shall be subject to additional scrutiny to ascertain whether the extra state compensation request could have been made when the proposal was originally prepared. An extra state compensation request that could have been made at proposal time, but was not, may be subject to denial for that reason. Sponsors provide a high level of scrutiny to extra state compensation requests and therefore, such requests should be handled through the regular review process at proposal time whenever possible.
7. After its review and communication with the sponsor, Post-Award will contact the project PI to advise if the requested extra state compensation may be paid from the Project ID.
8. If Post-Award determines that the request for extra state compensation is not permissible, then the extra state compensation request will be denied and the PI must submit a new budget modification request, if needed, reflecting that the new project personnel will be paid their regular salary.

If Post-Award approves the extra state compensation request, the PI may then proceed to process the requests through Academic Affairs (for UFF faculty) or Human Resources (for non-UFF faculty and other FIU employees) pursuant to the FIU policy applicable to the employee's employment status. Note that for faculty, the completion of the Academic Affairs form entitled eRAC is necessary and routed to Post-Award for review and approval before being routed to Academic Affairs.