**Arkansas Tech University Sponsored Programs**

**Employee Supplemental Compensation Policy**

Arkansas Tech University maintains the following Supplemental Compensation Policy in relation to external grants, contracts, and sponsored programs. This policy applies to all employees of Arkansas Tech University who receive compensation from any external grant, contract, or sponsored program.

Per the Office of Management and Budget’s (OMB) Uniform Guidance, section 200.430(a)(1), any compensation paid to employees from a federal award must be reasonable for the services rendered and apply to the established written policy of the University and consistently applied to both federal and non-federal awards and activities.

**Compensation During the Academic Year**

It is the policy of the University to allow supplemental compensation to faculty working on an external grant, contract, or sponsored program during the academic year, so long as the following items are met:

* The faculty member’s Department Head and Dean approve the additional allowance.
* The award allows additional compensation to be paid to the faculty member. Many federal awards, such as various NSF grants, specifically forbid additional compensation to faculty members above their institutional base salary during the academic year.
* On federal awards, the faculty member must either have responsibilities across departmental lines or be involved in work at a separate or remote operation. In both cases, the faculty member must be performing work above and beyond his or her regular responsibilities to request additional compensation. See OMB Uniform Guidance, section 200.430(h)(3).
* On federal awards, the faculty member must receive written approval from the granting agency to earn additional compensation or the additional compensation must be specifically outlined in the approved award budget. See OMB Uniform Guidance, section 200.430(h)(ii).
* The employee is not paid in excess of the state approved line item maximum.
* The duties pertaining to the external award are above and beyond the expected duties and responsibilities of the faculty member.
* Per OMB Uniform Guidance, section 200.430(h)(2), the employee may not be paid above the University proportionate share of their institutional base salary rate. For example, a faculty member that is paid an institutional base salary of $50,000 during the academic year from the University and is devoting the equivalent of one month’s time during the academic year to an external project, may not be paid more than $5,555 in additional compensation from the external awarding agency during the academic year. (($50,000 base salary / 9 academic months) x 1 month devoted to project). The University maximum for additional compensation on any award (federal, state, or private), excluding summer terms, is the equivalent of 20% of the faculty member’s academic year salary. Any amount above 20% must be approved in writing by the Vice President for Academic Affairs and the President.

**Compensation During Summer Months**

It is the policy of the University to allow supplemental compensation to faculty working on an external grant, contract, or sponsored program during the summer months, so long as:

* The work is actually being performed during the summer months and not the academic year.
* The employee is not paid in excess of the state approved line item maximum.
* Per OMB Uniform Guidance, section 2004.30(h)(2), the employee may not be paid above the University proportionate share of their institutional base salary rate. For example, a faculty member that is paid $50,000 during the academic year from the University and is devoting the equivalent of two months’ summer time to an external project, may not be paid more than $11,111 in additional compensation from the external awarding agency during the summer months. (($50,000 base salary / 9 academic months) x 2 summer months devoted to project). The University maximum for additional compensation is the equivalent of 3 months during the summer.