Western Michigan University
Sponsored Programs Excess Compensation Policy

Purpose

To provide guidelines for complying with OMB Circular A-21, Section J(8)(d)(1) Salary rates for faculty members.

Procedures

When a faculty member is requesting excess compensation above their base salary in a sponsored project proposal the following procedures must be followed:

- The faculty member must submit a memo, prior to proposal submission, to the Provost requesting approval. The request must substantiate the need for excess compensation based on the excerpt from OMB Circular A-21 below. This request must be routed and approved by the faculty member’s Chair and Dean concurring that these duties are in addition to their regular departmental load (teaching, research, and public service) and across departmental lines.

- If approved by the Provost, then the request must be clearly spelled out in the sponsored project proposal, routed through the normal process to Research and Sponsored Programs (with Provost approval attached), and subsequently approved by the Sponsor prior to payment of any excess compensation paid on sponsored project funds.

- If a request for excess compensation is made after the award, step 1 must still be followed and a separate request to the Sponsor asking for approval must be initiated and routed through Research and Sponsored Programs. Research and Sponsored Programs will counter-sign the request, upon approval from the Provost, and submit the request to the Sponsor. Sponsor approval must be received prior to any payment of any excess compensation.

- Normally excess compensation, from sponsored program funds, should be processed via the appropriate appointment form.

OMB Circular A-21, Section J(8)(d)(1) excerpt: "Charges for faculty salary are at their base pay and in no event will charges exceed the proportionate share of the base salary. 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/her regular departmental load, excess compensation may be allowable provided that (WMU) clearly discloses the excess in the budget and the sponsoring agency approves of it in writing."

Sources of Federal Guidelines

- OMB Circular A-21 “Cost Principles for Educational Institutions”
  http://www.whitehouse.gov/omb/circulars/a021/a021.html

Sources of Other Pertinent University Policies

- WMU AAUP Contract

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Grants and Contracts Office