

Policy 5-708 Policy for Review of Compensation Charges to Sponsored Projects

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I. Policy

Institutional compliance to CFR 200.430 requires an after-the-fact review to be conducted to support that compensation charged to a sponsored project and/or committed as cost sharing does not exceed the proportionate share of institutional base salary (IBS) for the work performed on the project.

This policy applies to all sponsored projects governed under CFR 200.430.

Policy Exclusions:

- Compensation charged to institutional sources is not covered under this policy, except for compensation used in support of committed cost sharing requirements.
- The accounting of voluntary uncommitted cost sharing for a specific project (faculty project time that is not compensated or committed as cost sharing towards the project).

UTA's system of internal controls help ensure that compensation costs are charged in accordance with applicable policies governing the proper authorization of expenditures. Central to, but not exclusive among these internal controls is the federal guidance for the after-the-fact review of interim charges that are based on budget estimates. In accordance with 2 CFR 200.430(h)(viii)(C), this policy addresses the after-the-fact review requirements so that the final amount charged to the federal award is accurate.

All compensation costs charged to a sponsored project must be reasonable for the work performed, necessary for the performance of the project, allowable per sponsor and UTA policy, and allocable to the project. For federally funded projects, compensation charges must be based on a rate not in excess of an individual's UTA base salary, adequately documented in accordance with 2 CFR 200 Subpart E

Section 430 Compensation- Personal Services, and be in accordance with applicable governing authoritative guidance, including sponsor requirements and UTA policy.

In accordance with 2 CFR 200.430(h)(8)(x) "It is recognized that teaching, research, service and administration are often inextricably intermingled in an academic setting. When recording salaries and wages charged to Federal awards for IHEs, a precise assessment of factors that contribute to costs is therefore not always feasible, nor is it expected."

In accordance with UTA's Procedure for After-the-fact Review of Compensation Charges to Sponsored Projects, the after-the-fact review of Project Compensation Reports are performed by the principal investigator (PI) or the PI- assigned program/project director/co-investigator or other individual. Reports must be reviewed at least annually to verify that the compensation of individuals charged to or committed as cost sharing towards a project reasonably reflects the work performed. This process conforms to and satisfies the requirements in 2 CFR 200.430.

Responsibilities

The Principal Investigator (PI) or Designee

- Review the Project Salary and Cost Share charged on the Cumulative Project Payroll Report relative to the work each individual is performing and their Institutional Base Salary (IBS) received.
- If individual salary charges on the Cumulative Project Payroll Report, do not exceed the proportionate share of IBS for the work performed on the project, the Cumulative Project Payroll Report can be confirmed.
- If the salary (and cost share) allocation does not reasonably reflect or exceeds the activities for the work performed on the project by an individual(s) relative to their IBS, coordinate with your Department Administrative Assistant to process a reallocation of payroll to the interim charges and future estimates as needed.

Department Administrative Staff

- Monitor salary charges, and cost sharing on all applicable awards.
- Communicate to Office of Grant and Contract Services any changes that require sponsor notification and/or approval.
 - Review salary charges with PI/faculty member and post any salary distribution updates and/or corrections in a timely manner.
 - Monitor that payroll confirmations are completed at the award anniversary.

Office of Grants and Contract Services (OGCS)

- OGCS will notify PIs within 45 days of the Project Anniversary Date or the Project End Date of the availability of Cumulative Project Payroll Reports for confirmation.

- Maintain responsibility for this Policy.
- Provide training, guidance on requirements, and oversee University-wide compliance with this Policy.

II. Definitions

Allocable: A cost is allocable if it is assignable to a specific cost objective in reasonable proportion to the benefit provided to the project to which it is charged. If a cost benefits two or more projects in proportions that cannot be determined because of the interrelationship of the work involved, the cost may be allocated or transferred to the benefitted projects on any reasonable documented basis (200.405 (d)).

Allowable: A cost is allowable if it is in conformity with governing laws and the policies and procedures of the institution.

Committed Cost Share: The portion of project or program costs not borne by the sponsor that has been quantified in the proposal and made as a condition of award. Committed cost share can be mandatory or voluntary committed

Institutional Base Salary: The base annual compensation set by the institution for an individual's appointment, whether that individual's professional activities are spent on instruction, research, public service, administration, or on other areas of focus, and whether that employee is appointed full-time or part-time. IBS excludes income that an individual may be permitted to earn outside of duties to the institution.

Necessary: A cost is necessary if the objectives of the project cannot be met without incurrence of the cost.

Principal Investigator: Typically, a faculty member named in the award who has primary responsibility for technical compliance, completion of programmatic work, and fiscal stewardship of sponsor funds.

Project Anniversary Date: One calendar year from the start date of the sponsored project.

Project Compensation Report: The report distributed to the principal investigator or designee of the compensation expenditures charged to a sponsored project. The purpose of the Project Compensation Report is to support that expenditures are accurate and reasonable in relation to the work performed by each individual.

Project End Date: Date on which the sponsored project is ended and no further expenditures are allowed.

Reasonable: A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

III. Relevant Federal and State Statutes

2 CFR 200.430(h)(viii)(C)

IV. Relevant UT System and UTA Policies, Procedures, and Forms

Procedure for the Review of Compensation Charges to Sponsored Projects (Pending)

Payroll review and confirmation is accessed through the Report Portal in Mentis.

V. Who Should Know

Principal investigators and designees and departmental administrative staff.

VI. UTA Officer(s) Responsible for Policy

Director, Office of Contracts and Grants Services

VII. Dates Approved or Amended

Pending

VIII. Contact Information

All questions concerning this policy should be directed to Director, Grants and Contracts Services at (817) 272-2105, or email to ogcs@uta.edu