Supplemental Compensation

ARIZONA

Supp Comp Reviewers

- SPCS
  - Tara Gonzales, Senior Manager
  - Tabatha Holan, Senior Sponsored Projects Administrator
  - Jessica Federico, Sponsored Projects Administrator
  - Aileen Quezada, Sponsored Projects Administrator
  - Julia Puntenney, Internal Operations Manager
- Provost Office
  - Marilyn Taylor, Associate VP, Finance & Administration

Objectives

- Define Supplemental Compensation
- Understand the requirements and approval process for sponsored accounts
- Know where to find resources

What is Supplemental Compensation?

- Simple definition
  - Compensation received from employment that is in addition to the regular, ordinary salary or wages.
- Uniform Guidance definition
  - §200.430 Compensation—personal services

Approval Process - What is reviewed?

Employee Eligibility

- Employment Type / Appointment Period
- Visa Status
- E-Verify

Cost Allowability

- Account Status
- Sponsor Limitations
- Hourly Rate
- University Limitations

Employment Type /Appointment Period

Faculty / Appointed

Academic vs. Fiscal Appointments

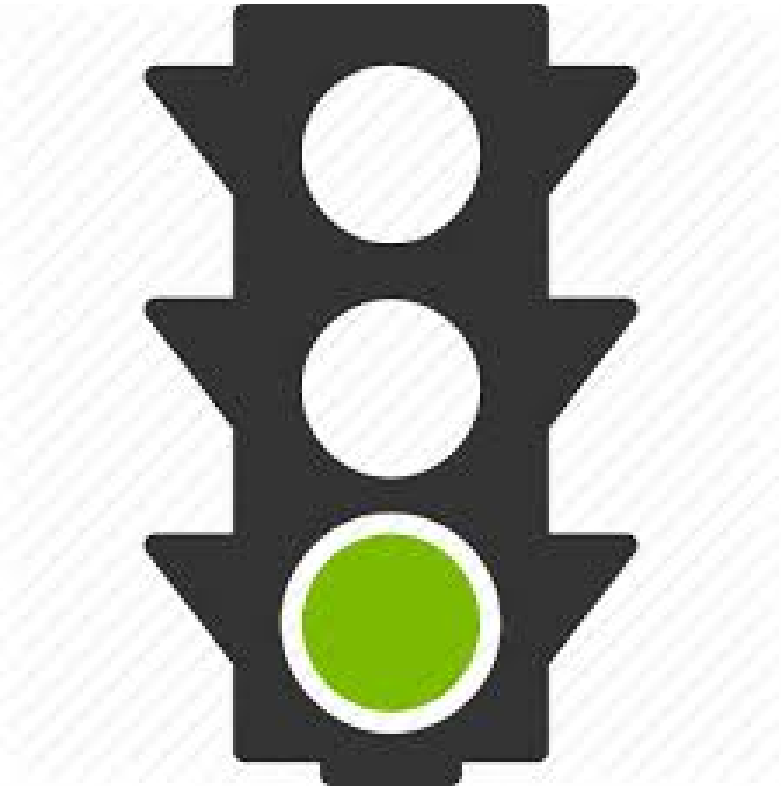
Classified Staff

Graduate Students

Faculty / Appointed Personnel: Is the payment outside of the appointment period?

Yes

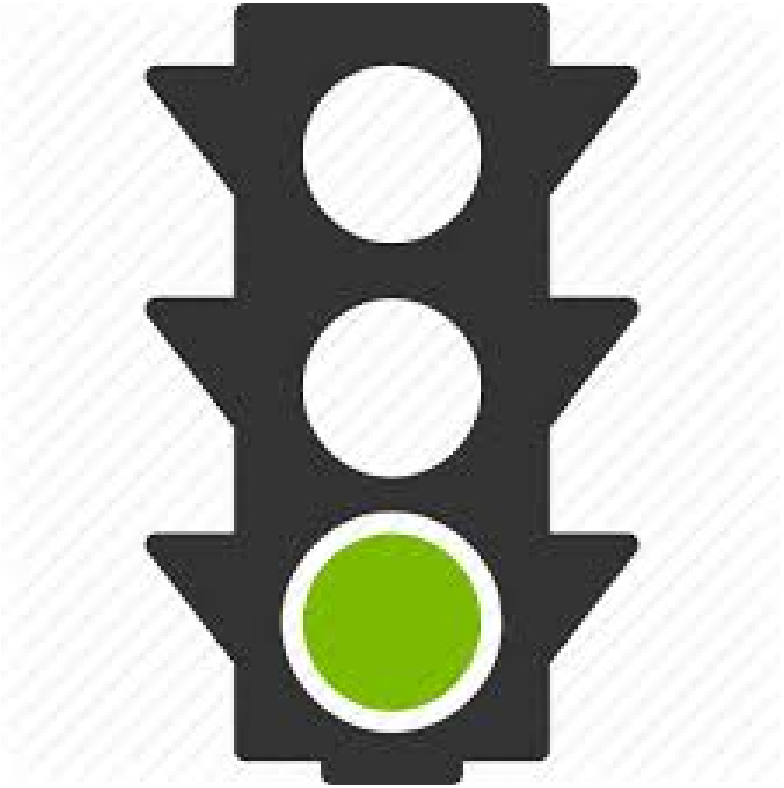
No



Yes, Proceed

Payments Outside of Appointment Period

- Academic
  - Summer & Winter Break
- Fiscal
  - N/A

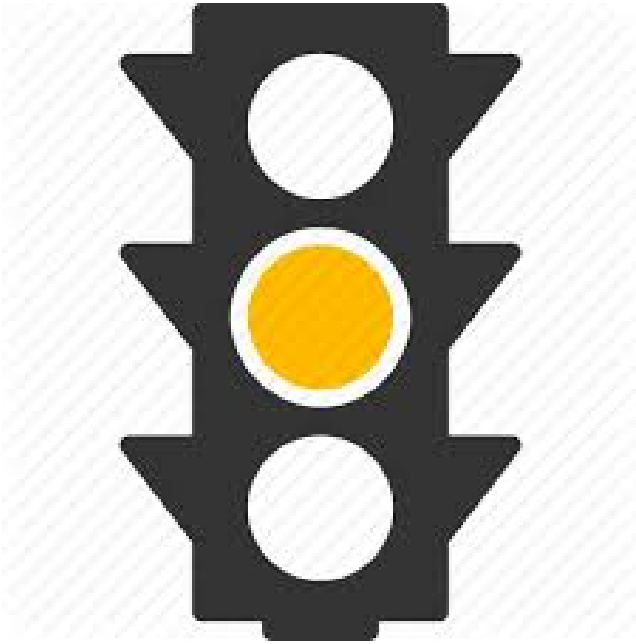


Yes, Proceed

Payments Outside of Appointment Period

- Academic
  - Summer & Winter Break
  - 464 hours total
  - Hourly Rate for Institutional Base Salary for preceding academic year
    = IBS x 0.00072

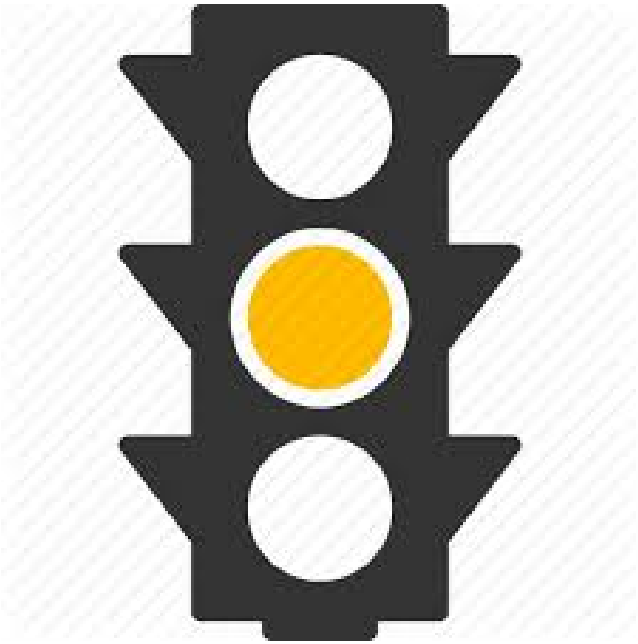
- Fiscal
  - N/A



Proceed with Caution

Payments Within Appointment Period

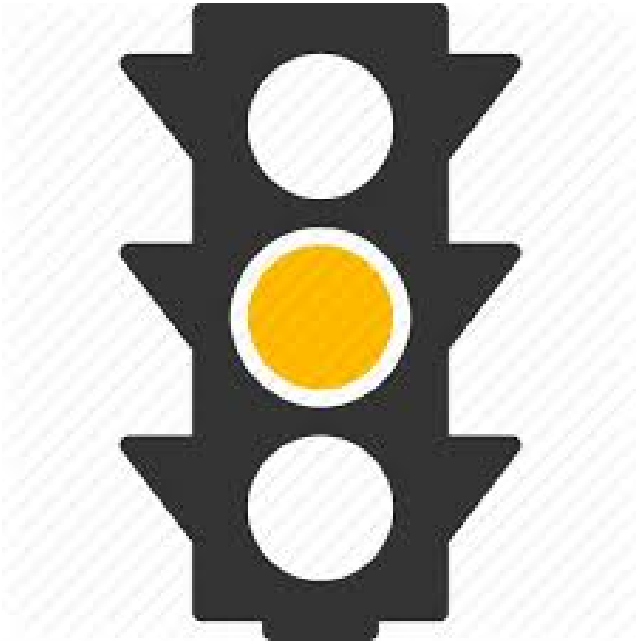
Supp Comp generally <u>not</u> allowable for Fiscal or Academic faculty, unless the work is above and beyond normal duties, across departmental/college lines, and specifically budgeted or approved by sponsor



Proceed with Caution

Payments Within Appointment Period

- If allowable
  - Fiscal – Max 176 hours per fiscal year
  - Academic – Part of Max 464 hours per Academic Year



Proceed with Caution

Payments Within Appointment Period

- Alternatives to Supp Comp
  - Component of Pay
  - Change in FTE
  - Change in effort allocation via Position Distribution

Staff and Graduate Associates

Staff

Not an employee on the award

Outside of duties/different line of work

Graduate Associates

Consult GA manual and grad college

Max FTE for GA is .66

SPCS does not review

Employee Eligibility

- Visa Status
  - Citizen
  - Permanent Resident
  - Office of Global Initiatives approval for other statuses
    - Attach OGI approval to supp comp request
    - https://global.arizona.edu/international-faculty/immigration-services

Employee Eligibility – FAR 52.222-54 (E-Verify)

- Employment Eligibility Verification is required for each employee assigned to a contract including this clause
  - SPCS cannot approve supp comp until we comply
- University has 90 calendar days after date of contract award <u>or</u> 30 days after assignment to the contract, whichever date is later

Cost Allowability: Funding Plan

- Funding plan to include
  - Account Numbers
  - Dates for each account
  - Hours for each account
  - Include information for <u>entire</u> supp comp period
- Include in Supp Comp request
  - Attachment (preferred)
  - Approver comments
  - Job description

THE UNIVERSITY OF ARIZONA
Human Resources

Supplemental Compensation Funding Spreadsheet

Name:	Wilbur Wildcat	Total Amount Planned:	$ 63,141.12
Annualized Salary:	$ 189,000.00	Supp Comp Hourly Rate:	$ 136.08

Supplemental Compensation Schedule, Guidelines and Criteria

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Pay Period	Requested Hours	Requested Amount	Requested Amount with ERE	Account #1	Project Code #1	Sub-Acct #1	Acct%	Account #2	Project Code #2	Sub-Acct #2	Acct%	Account #3	Project Code #3	Sub-Acct #3	Acct%
5/20 - 6/02	72.00	$9,797.76		3000333			50	4400440			50				
6/03 - 6/16	80.00	$10,886.40		3000333			50	4400440			50				
6/17 - 6/30	80.00	$10,886.40		3000333			100								
7/1 - 7/14	72.00	$9,797.76		3000333			100								
7/15 - 7/28	80.00	$10,886.40		2120444			100								
7/19 - 8/11	80.00	$10,886.40		4239910			100								
		$0													
Total	**464.00**	**$63,141**													

Cost Allowability:
Is the funding source appropriate?

- Account Dates and Balances
  - Backstop?
- NSF – 2-month/310 hour limitation
- NIH/HHS Salary Cap – Max $103.84 / hour
  - Cost share amount over cap
  - OR pay at cap rate

https://rgw.arizona.edu/administration/build-budget/budget-categories/Salaries-and-Wages/HHS-Salary-Cap

Cost Allowability: NSF 2/9th (310 hours) Limitation

- As a general policy, NSF limits the salary compensation requested in the proposal budget for senior personnel to no more than two months of their regular salary in any one year.
- Under normal rebudgeting authority, a grantee can internally approve an increase or decrease devotion to the project after an award is made, even if doing so results in salary support for senior personnel exceeding the two-month salary policy.
- No prior approval from NSF is necessary as long as that change would not cause the objectives or scope of the project to change. NSF prior approval is necessary if the objectives or scope of the project change.
- IF rebudgeting please attach Investigators justification to supp comp request

https://www.nsf.gov/pubs/policydocs/pappg18_1/pappg_2.jsp#IIC2gia

Cost Allowability: Authorized Earnings & Hourly Rate

Authorized Earnings Per Year

- Fiscal - 1/12 of annualized salary
- Academic - 1/3 of annualized salary

Supp Comp Hourly Rate Formula

- Fiscal - Annualized salary / 2096 (Summer 2019)
- Academic - Annualized salary * .00072

Checklist

- ✓Outside of Appointment Period?
  - ✓If not, are criteria met for paying during appointment period?
- ✓Is the person eligible based on Visa and E-Verify status?
- ✓Is appropriate hourly rate used?
- ✓Is the request within authorized earnings and supp comp calendar dates?
- ✓Is the funding plan appropriate?
  - ✓Account Status (Dates, Balances, Backstop)
  - ✓If NSF, within 310 annual hours?
  - ✓Is NIH/HHS, paid at cap rate ($103.84/hr) or is the amount over the cap cost shared?

Resources

- Workforce Systems
  - https://hr.arizona.edu/workforce-systems/other-compensation/supplemental-compensation

- Research Gateway
  - https://rgw.arizona.edu/administration/build-budget/budget-categories/Salary-and-Wages#SupplementalComp

Questions?