

UMCP Guidelines on Overloads Involving Federal or Federal Flow-through Funds (Federal Funds)

Compensation, including overload payments, for personnel paid on federal or federal flow-through funds is governed by OMB Circular A-21. Recent audits by the federal government have resulted in disallowances of substantial sums of money at several institutions. The relevant section in A-21 is J.10.d(1) and reads:

Charges for work performed on sponsored agreements by employees during the academic year will be based on the individual employee's regular compensation for the continuous period which, under the policy of the institution concerned, constitutes the basis of his/her salary. Charges for work performed on sponsored agreements during all or any portion of such period are allowable at the base salary rate. In no event will charges to sponsored agreements, irrespective of the basis of computation, exceed the proportionate share of base salary for that period. This principle applies to all employees at an institution. Since intra university consulting is assumed to be undertaken as university obligation requiring no compensation in addition to full time base salary, the principle also applies to employees who function as consultants or otherwise contribute to a sponsored agreement conducted by another faculty member of the same institution. However, in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his/her regular departmental load, any charges for such work representing extra compensation above the base salary are allowable provided that such consulting arrangements are specifically provided for in the agreement or approved in writing by the sponsoring agency.

Accordingly, overload payments are never allowed where federal funds are involved without specific sponsor approval.

An employee's appointment letter or contract should clearly state all of his/her responsibilities.

Steps for processing overload requests on federal/federal flow through sponsored accounts:

- a. It is the responsibility of the department requesting the overload to obtain approval from the program official at the sponsoring agency. The program officer's approval should then be sent to the Office of Research Administration (ORA), along with a letter signed by the responsible departmental official certifying all points in c. below. ORA will submit the official institutional request to the administrative official of the sponsoring agency who will provide the University with the official approval or rejection.
- b. Department/College must certify in the ARS that the overload assignment is outside of the appointment expectations as contained in the individual's appointment letter or contract.
- c. Department/College must provide certification that the overload assignment will be arranged at times that don't interfere with his/her regular duties; that the arrangement has the permission of his/her supervisor, that the individual's tasks and schedule will be arranged such that his/her overload assignment will not negatively impact the work or schedule of deliverables supported by the sponsoring agency or agencies.