

Compensation

Compensation for personal services includes remuneration, paid currently or accrued, for services of employees rendered during the period of performance under the Federal award, including but not limited to wages and salaries.

Compensation for personal services may include fringe benefits.

Uniform Guidance 200.430

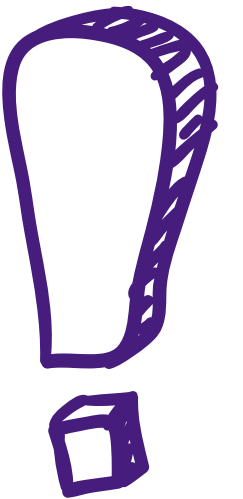


Compensation Allowability

Reasonable

Reasonable for the services rendered and conforms to the established written policy of the non-Federal entity consistently applied to both Federal and non-Federal activities.

UG 200.430 (a)



Appointment

Follows an **appointment** made in accordance with a non-Federal entity's laws and/or rules or written policies and meets the requirements of Federal statute, where applicable. *UG200.430 (a)*

Documented

Charges to Federal awards for salaries and wages must be based on **records** that accurately reflect the work performed.

UG200.430 (i)



Institutions of Higher Education

Certain conditions require special consideration and possible limitations in determining allowable personnel compensation costs under Federal awards. *UG 200.430(h)(1)(i)(ii)*

Allowable Activities

Reasonable amounts for activities contributing and directly related to work under an agreement

Incidental Activities

Supplemental compensation is allowable under written institutional policy (at a rate not to exceed base salary) and does not need to be included in the records. Such activities must be specifically provided for in the Federal award budget or receive prior written approval by the Federal awarding agency

Institutions of Higher Education

Type	Definition
Salary Basis- UG 200.430(h)(2)	Charges for work performed on a Federal project must be charged at the allowable Institutional Base Salary (IBS)
Intra-Institution Consulting- UG 200.430(h)(3)	In general, Intra-Institution Consulting should be taken as an institution responsibility requiring no compensation in addition to IBS. UG 200.430(h)(3) lists extenuating circumstances.
Part-Time Faculty- UG 200.430(h)(6)	Charges for work performed on Federal projects will be determined at a rate not in excess of that regularly paid for part-time assignments.



Institutions of Higher Education

Type	Definition
Non-Faculty Members- UG 200.430(h)(8)	Non-Faculty full-time professional personnel may earn extra service pay in accordance with the non-Federal entity's written policy and consistent with UG 200.430(h)(1)(i)
Periods Outside the Academic Year- UG 200.430(h)(5)	Cannot be at a rate in excess of the IBS and charges during periods not included in the IBS period will be based on the normal written policy of the institution governing compensation to faculty members for teaching assignments during such periods
Sabbatical Leave- UG 200.430(h)(7)	Cost of leaves of absence by employees for performance of graduate work or sabbatical study, travel, or research are allowable provided the institution has a written policy on sabbatical leave for persons engaged in instruction and/or research. Costs should be allocated on an equitable basis among all related activities of the institution.



Things to Keep in Mind

Extra Service Pay

Represents overload compensation, subject to institutional compensation policies for services above and beyond IBS. UG 200.430 (h)(4)(i-v)

The non-Federal entity establishes **consistent written policies** which apply uniformly to all faculty members, not just those working on Federal awards.

The non-Federal entity establishes a **consistent written definition of work** covered by IBS which is specific enough to determine conclusively when work beyond that level has occurred.

The supplementation amount paid is **commensurate** with the IBS rate of pay and the amount of additional work performed.

The salaries, as supplemented, fall within the salary structure and pay ranges **established by and documented in writing** or otherwise applicable to the non-Federal entity.

The total salaries charged to Federal awards including extra service pay are subject to the **Standards of Documentation**.

Things to Keep in Mind

Documentation

CFR 200.430 (i)(1-8)

Be supported by a **system of internal control** which provides reasonable assurance that the charges are accurate, allowable, and properly allocated.

Be incorporated into the **official record** of the non-Federal entity.

Reasonably reflect the **total activity** for which the employee is compensated, **not exceeding 100%** of compensated activities.

Encompass **Federally assisted and all other activities** compensated by the non-Federal entity on an integrated basis, but may include the use of subsidiary records as defined in the non-Federal entity's written policy

Comply with the **established accounting policies and practices** of the non-Federal entity

Support the **distribution** of the employee's salary and wages among specific activities or cost objectives

Documentation Example

An example of the form used by LSUHSC is below.

PROJECT DESCRIPTION	ACCOUNT	PROGRAM	CLASS	DEPARTMENT	APPOIN. WORKLOAD DIST.	X TEACHING AND DEPARTMENT FUNDED RESEARCH	GRANT RELATED SPONSORED RESEARCH	SPONSORED CLINICAL TRIAL AGREEMENTS	OTHER SPONSORED AGREEMENTS	OTHER INSTITUTIONAL ACTIVITIES	AND SUPPORT DUTIES BENEFITING ALL FUNCTIONS	TOTAL
FGP-DEAN'S ALLC	501000	30001	10105	1550175	50%	X						
Ensuring Access to H	501000	00001	35100	1497600	29%	X						
HRSA T96HP32497 CFD	501000	00001	20200	1555000	3%	X						
U4EHP46212 Non R&D N	501000	00001	20200	1555000	7%	X						
HRSA T1QHP47314 Nurs	501000	00001	20200	1555000	4%	X						

LSUHSC currently collects Time and Effort Documentation twice a year for the following time periods:
07/01 to 12/31 and 01/01 to 06/30.



Certification of Time & Effort

LSUHSC Policy states that all effort documentation should be completed and confirmed by the individual whose effort is being reported or by a responsible person with access to reliable information on how the individual's effort was expended.

I CERTIFY THAT THIS DISTRIBUTION OF EFFORT REPRESENTS A REASONABLE ESTIMATE OF THE EFFORT EXPENDED DURING THE PERIOD COVERED BY THIS REPORT.

https://www.lsuhscc.edu/administration/accounting/cost_te.aspx



Retroactive Change in Funds

If an individual's effort is retroactively changed, the time and effort documentation must also be updated to reflect the change if the time period reported on has already passed.

In the event this occurs, the Cost Transfer policy for the institution must also be followed:
https://www.lsuhscc.edu/administration/accounting/sponsored_projects_links_pathways.aspx

Cost transfer for retroactive transactions:

- [Cost Transfer Policy](#) (updated 01/11/2019)
- [Cost Transfer Form](#) (dated 01/11/2019)



Next Month's Topic

Training Resources

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