May 14, 2013

R-1213-4A Chancellors

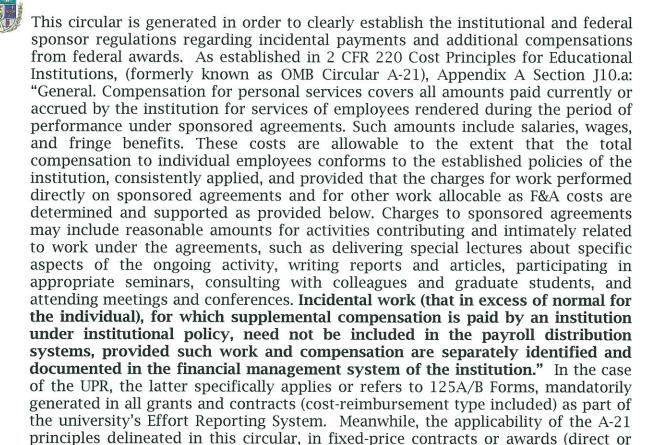
José A. Lasalde Dominicci, Ph.D.

excluding the post-award phase.

President (Interim)

J-C. Ledid

POLICIES REGARDING INCIDENTAL. **PAYMENTS** AND **ADDITIONAL** COMPENSATIONS FROM FEDERAL AWARDS



In relation to incidental payments or additional compensations for regular 1187 Calle Flamboyán University employees (faculty, professional and non-faculty) from federal funds San Juan, Puerto Rico (pass-through funds included), federal requirements (included in 2 CFR 220 (787) 250-0000 (formerly OMB A-21), Section J.10) establish the criteria for compensation of faculty Fax (787) 759-6917 members during and outside the academic year. According to these referenced documents, intra-university consulting is assumed undertaken by the University. and requires no compensation in addition to the base salary. This applies to faculty members who function as consultants or contribute to a sponsored agreement

pass-through), is limited to their pre-award, cost-establishment phase, hence,

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conducted by another faculty member of the same institution (this includes all UPR campuses and units). Although rare for some agencies, some special cases where consultation is across departmental lines or involves a separate or remote activity, the work performed by the employee in addition to the regular departmental load may be specifically approved for in writing by the sponsoring agency. Federal award funds may not be used to augment the total salary or salary rate of faculty members during the period covered by the term of faculty appointment or to reimburse faculty members for consulting or other time in addition to a regular full-time organizational salary covering the same general period of employment. Therefore, compensation above the full-time regular salary, whether the job performed is incidental or not, cannot be paid using a grant's direct funds nor institutional matching funds committed to the grant, unless such payment is authorized in writing by a contracts & agreements officer of the concerned agency.

In addition, the salaries of administrative or clerical personnel are covered by the indirect cost recovery (also known as the Facilities and Administrative Costs (F&A) for Colleges and Universities). Salaries for administrative and clerical personnel may only be budgeted as direct costs if the actual activity will be incurred in unlike circumstances that are not the same as the actual activities normally included in the Institution's F&A cost pool (see President's Circular R-1213-2A: "POLICY ON CIRCUMSTANCES **FOR** THE TREATMENT OF FACILITIES ADMINISTRATIVE (F&A) COSTS AS DIRECT COSTS". If these costs are to be budgeted directly, they must be clearly identified and described in the budget justification. Additional compensations or incidental payments are not allowed for UPR administrative or clerical personnel during or outside of regular working hours with federal nor institutional matching funds. This includes pass-through federal funds, since pass-through funds are treated in the same manner as direct federal funds. Those additional recruited employees who directly benefit a federal project can be charged replacing the general funds to the department that covers their normal duties. Their effort reports should document this appropriately. For these employees, additional personnel compensation can be paid from unrestricted institutional funds.

The University of Puerto Rico underscores its culture of full compliance, integrity and ethics in the management of sponsored research, education and service programs, and their corresponding external funds. Chancellors are hence responsible for disseminating and pursuing strict fulfillment of the guidelines contained herein. As part of the system-wide standard of compliance, any practice or conduct that is inconsistent with these guidelines is **UNALLOWABLE** and will be subject to applicable institutional, state or federal regulatory penalties.