

Compensation on Sponsored Awards and Time & Effort

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Purpose & Scope

To provide guidance for time and effort reporting and certification in compliance with federal regulations and award-specific terms and conditions. This policy covers [Federal Uniform Guidance 2 CFR Part 200.430 – Compensation for Personal Services](#) and applies to all Colorado Mesa University (CMU) faculty, students, and exempt and non-exempt staff with salary and/or benefits charges to a sponsored award.

Definitions

- *Above and Beyond Effort*: the level of exertion or work that exceeds an individual's scope of work as outlined in their job description. The individual continues to execute all tasks on their institutional job description while accepting additional responsibilities that require them to work above and beyond the hours required for their university position.
- *Above and Beyond Stipend*: A supplemental payment provided to an individual who performs duties beyond their regular job responsibilities and hours, while still fulfilling all tasks outlined in their institutional job description. This is an uncommon form of compensation and must be approved by the Director of Academic Research, the Department Head, and the Provost (f.k.a. Vice President of Academic Affairs) if the stipend exceeds \$10,000.
- *Certification Period*: the 30-day calendar period in which Certifiers must complete their Effort Certification & Reporting.
- *Certifier*: a University employee who completes the Effort Certification using an acceptable means of verification.
- *Cost Share*: the portion of project costs not paid for by the sponsor of the award.
- *Course Buyout*: Use of an external grant or sponsored project funds to cover a portion of a faculty member's salary in exchange for release from teaching duties, allowing increased time for research or project work. Rates and limits are determined by institutional policy.

- *Designee*: an individual authorized to be the alternative Certifier, who assumes all responsibilities of the Certifier in their absence. This individual must have firsthand knowledge of the employees' activities whom they are certifying their effort for.
- *Effort*: the percentage of time an employee devotes to both sponsored and non-sponsored activities at the University. The portion of time spent toward an individual activity is expressed as a percentage of the individual's total effort (not to exceed 100% for all University activities).
- *Effort Certification*: the attestation by the Certifier that the effort reported for each listed activity reasonably reflects the actual work performed, using an appropriate means of verification. Effort certification must account for one's total University effort expended during the given effort reporting period.
- *Effort Period of Performance (EPP)*: the six-month period (January – June and July – December) for which effort reports are generated and subsequently certified.
- *Effort Reporting*: the documentation of an individual's effort on a sponsored award during a given period designated by the University.
- *Institutional Base Salary (IBS)*: the basic, fixed compensation that an employee receives as part of their regular pay for work performed within the institution. It typically excludes additional forms of compensation, such as bonuses, overtime pay, or other incentives. The base salary is often set by an employment contract or the policies and guidelines of the institution, and it serves as the foundation upon which other forms of compensation and benefits may be calculated.
- *Interdepartmental Consulting*: the process of seeking advice, guidance, or expertise from one department within an organization to another. This practice is commonly employed in larger organizations with multiple departments to facilitate collaboration, problem-solving, and decision-making across different areas. The goal is to share knowledge and leverage the diverse skill sets and expertise present in various parts of the organization to address complex issues, and in the case of sponsored awards, meet the deliverables and advance research occurring under the award(s).
- *Principal Investigator (PI)*: an employee as designated by the university named on a sponsored program who bears the primary responsibility for: (1) the ethical conduct and administration of sponsor-approved research, programs, services,

and activities, (2) financial/budgetary management and oversight of sponsor funds, and (3) compliance with all terms, conditions, and reporting requirements of the sponsor, as well as any applicable state and federal laws and regulations, and university policies and procedures. The PI can also be referred to as a Project Director (PD) and these terms can be used interchangeably.

- *Salary Limits*: the maximum allowable compensation that can be charged to the sponsored project or the time and effort contributed by faculty or staff members working on that project. Under Federal Uniform Guidance no individual can be compensated above their IBS, unless otherwise noted in the terms and conditions of the award or when specific sponsor approval is obtained in writing.
- *Summer Months*: typically spanning from May 15th to August 15th, though specific dates may vary based on the academic calendar.
- *Summer Salary*: additional compensation paid to academic faculty members for their work during the summer months. This compensation is separate from their regular academic year salary.
- *Total Effort*: the sum of an individual's professional activities during the effort reporting period, which must equal 100% effort for that given period.

Operational Rules

Compensation

Course Buyouts

A course buyout allows a faculty member to reduce their teaching load in order to dedicate time to a sponsored project, typically funded by a research grant or sponsored program. The cost of the buyout is charged to the grant and is usually calculated as a percentage of the faculty member's IBS, proportional to the effort associated with the course. For example, the standard teaching load at CMU is four courses per semester (eight per academic year), one course buyout would typically represent 12.5% effort. The calculation includes the corresponding portion of salary plus applicable fringe benefits. Approval from the Department Head, and if applicable, the Provost is required to ensure that the teaching needs of the department can still be met.

Summer Salary

The calculation for faculty compensation under a sponsored award is based on their IBS and cannot exceed 100% of their IBS. Pay will be determined based on the proportion of effort committed to the sponsored project and will be expressed as a percentage of their full-time equivalent (FTE) workload for the summer or the entire project period. Below is the formula for calculating summer salary:

$$\text{Summer Salary} = (\text{IBS}^* \div 9^{**}) \times 3^{***}$$

*IBS is obtained through information provided by Human Resources

**Nine (9) represents the number of months in the academic year

***Three (3) represents the number of months available in the summer to earn summer salary (2.5 is recommended if a vacation is anticipated).

Above and Beyond Stipends & Interdepartmental Counseling

Though uncommon, under certain awards faculty may be eligible to receive compensation above their IBS if noted in the original award's terms and conditions and/or approval is obtained in writing from the sponsor.

One allowable circumstance is when a faculty or staff member cannot reduce their institutional workload (typically 40 hours per week) and contributes additional time to the sponsored project beyond those duties. In such cases, CMU defines this as an Above and Beyond Stipend. The stipend must be clearly described in the proposal's budget justification and calculated based on the faculty member's IBS and the estimated number of extra hours worked. If the need for such a stipend arises after the project has begun, written sponsor approval is required.

Above & Beyond Stipend

= Employee's Hourly Rate

× Estimated Hours Necessary to Complete The project

Example A) A professor in the Math Department is not approved for a course buyout because the department is already short-staffed, and required classes will not be covered if the buyout is granted. The Office of Sponsored Programs would provide this justification to the sponsor for consideration and approval.

Example B) A professor in the Occupational Therapy (OT) Department is not approved for a course buyout because they are the only faculty member qualified to teach hand

therapy and splinting. Granting the course buyout would prevent OT students from meeting essential learning outcomes required by the curriculum. The Office of Sponsored Programs would provide this justification to the sponsor for consideration and approval.

Similarly, a faculty member may be compensated for interdepartmental consulting, which occurs when a faculty member provides specialized expertise to a project outside their home department. As with other additional compensation, this must be permitted under the award and/or approved in writing by the sponsor. The compensation rate for interdepartmental consulting is calculated using the same methodology as the Above and Beyond stipend.

Time & Effort

If an individual's institutional base salary is paid for under a sponsored award, this means they are devoting some amount of effort to one or more federal, state, local, or private sponsored award, including pass-through agreements, and must complete all certification and reporting requirements within the designated certification period. If an individual is receiving an 'above and beyond' stipend payment, effort certification is not required unless specified by the sponsor.

If a person devoting effort to a sponsored award is not listed as the PI, the PI must review the certified document and provide final certification on the time and effort. If a PI designates another individual to provide final time and effort certification, the individual must hold firsthand knowledge of each employee's activities to genuinely certify on the PI's behalf. The Office of Sponsored Programs must be informed of who the designated individual is and holds the authority to decline an appointed designee.

The Office of Sponsored Programs (OSP) will provide each individual devoting effort to a sponsored project, with a breakdown of their salary and benefits distribution for each EPP. It is the responsibility of the Certifier to review the percentage of effort and either verify its accuracy or correct the percentage to reflect the proper percentage of effort spent on each sponsored award. If the actual effort expended on any sponsored award varies from the initial breakdown provided, OSP will adjust the payroll allocation to the ORGN(s) the Certifier is being paid out of to ensure the allocation of salary and benefits remains commensurate with expended effort during the EPP.

The PI or designated Certifiers should notify OSP of any planned or unplanned absences that will prevent them from completing their effort reporting duties. OSP will work with the individual's Department Head or supervisor to determine an appropriate proxy to complete the required certifications. OSP lacks direct knowledge of actual effort expended on sponsored program activities, therefore, cannot certify effort.

Departed Principal Investigators

It is the responsibility of each PI to ensure that all necessary documentation, transfer work and other requirements are met for their sponsored award prior to leaving employment at the University; this includes time and effort documentation and certification. If this expectation is not met, OSP will contact the Academic Department Head or supervisor to collect the necessary signed effort certification documentation. If OSP is unable to obtain this documentation, the matter will be escalated to the Director for OSP and the Provost for resolution.

Failure to Comply

Failure to comply with this policy and mandatory time and effort certification can result in financial penalties, expenditure disallowance, harm to the University's reputation, and risk of future sponsored funding. To ensure that time and effort requirements are met, OSP will send out periodic reminders to Certifiers that have not yet completed their effort reports. Should instances of continued non-compliance occur, the Director for OSP will contact the PI's Academic Department Head or supervisor and the Provost to ensure reports are completed for proper grant file documentation.

Effort Reporting & Certification Timeline

- Effort Period of Performance (EPP) – January 1 – June 30
 - Certification Period: July 1 – July 31
- Effort Period of Performance (EPP) – July 1 – December 31
 - Certification Period: January 1 – January 31