

University of Cincinnati

Research Effort Reporting and Extra Compensation (EXC) Payment Process 2021

A. EXC CALENDAR

The EXC calendar is distributed by Sponsored Research Services to Deans, Department Heads, Faculty, Business Contacts, and other appropriate personnel and is posted on the Research How 2 website. The Calendar will indicate periods during the Academic Year that EXC can be earned on sponsored projects (G-funds) as well as due dates for the EXC Labor Verification Statements and payment request deadlines (Department-initiated PCR's). (Attachment A).

B. EXC RESEARCH YEAR DEFINED

The 2021 EXC research year is from August 15, 2020 to August 14, 2021 and consists of the two traditional academic semesters (Fall and Spring) and the academic break periods (Pre-Fall, Fall, Spring, and Pre- Summer, Summer-May, Summer-June, Summer-July & Summer-August). EXC payment is allowed for the non-traditional semester off. Notification of the faculty member's adjusted semester off must be confirmed by the Department Head/Chair and submitted to SRS Accounting. *Departments must contact SRS for non-traditional EXC Labor Verification Statements, Calendar and Calculator Template.* Payment of effort by sponsored sources is limited to the break periods and classified as EXC. EXC payment is figured at the per-break-period maximum. EXC cannot be paid for effort on paid holidays or on days when the University is officially closed.

C. FACULTY THAT MAY EARN EXC

Only 2 Semester appointed Faculty (formerly called "9-month") on Up-town Campus, Branch Campuses, the Colleges of Nursing, Allied Health Sciences, and Pharmacy can earn EXC on sponsored projects, Deans excluded. Normally College of Medicine faculty cannot earn EXC since they have 12-month appointments. Non-College of Medicine faculty can earn EXC by working on College of Medicine sponsored awards. Eligible faculty on sabbatical leave may be paid EXC if approved by the awarding agency and the Provost.

D. RESEARCH EFFORT REPORTING

Research effort must be recorded and certified by the PI by completing and signing the EXC Labor Verification Statement for each EXC Break Period. The completed EXC LVS is due to the Provost Office within 30 calendar days from the last day of the date range of the EXC break period. Refer to the EXC Calendar or EXC LVS for EXC LVS due dates. All signatures requested on the EXC LVS are needed for payment. EXC effort must occur within the dates of the sponsored award and the EXC Break Period. EXC effort reported up to 90 days prior to the start date of a new award will be paid only if pre-award costs are allowed. Copies of the EXC LVS will be retained in the Provost Office and used to approve payment request PCR's. Departments should retain the original EXC Labor Verification Statement. For sponsored accounts not yet assigned a UC accounting number, submit the LVS by the deadline and use the agency's grant/contract number to identify the project to which the percentage of Break Period Effort applies. Enter TBD in the grant number field. After a grant number is given, the LVS form can be updated with the assigned grant number and forwarded with the payment request.

NOTE: Effort performed during non-release time in the academic year cannot be claimed during EXC periods.

University of Cincinnati

Research Effort Reporting and Extra Compensation (EXC) Payment Process 2021

E. REQUESTING PAYMENT

To request payment for EXC effort for Pre-Fall Break-August Period and all subsequent EXC Break Periods, Department PCR Initiators must process a one-time OEXC-Intersession Comp Wage-Type PCR by the EXC PCR deadline. See EXC Calendar - Attachment A.

EXC payment requests must be approved by the appropriate personnel.

EXC may not be paid in advance.

If the sponsor requires a final invoice before 90 days, the PCR and all required documentation must be received and approved by the Provost in time to be included with the final invoice.

One-time EXC PCR's:

- initiated after Payment Request Due Date,
- missing adequate documentation,
- initiated more than 30 days after the sponsored award end date or
- initiated after the final invoice has been sent

will be denied and returned to the Department PCR Initiator or rejected.

- F. Account Codes and Funding:** The proper accounting codes should be used on all EXC Labor Verification Statements and PCR's and checked in UCFlex for validity. PCR's received with invalid account information will be returned to the Initiator for correction, as will those with accounts that do not match previously reported effort. EXC payment requests on accounts with insufficient funds to cover salary, fringe, and related overhead will be calculated and paid based on the balance remaining in the account or returned to the PCR Initiator. If there is to be an increase in funding, a transfer of expenditures, or any other transaction affecting the remaining balance on the sponsored award, then supporting documentation should be sent by email attachment to extracomp@uc.edu and an explanatory comment must be included in the PCR. If the supporting documentation is not provided, the payment will be made for the available balance or the PCR will be returned to the Initiator.

G. MAXIMUM EXC ALLOWABLE

Maximum EXC: The maximum EXC allowable in one academic year is 14/32 of a faculty member's adjusted annual base salary (100% Break Periods Effort equals 14/32 adjusted base salary). Faculty with salary increases during the academic year will have their annual base salary prorated for the purpose of calculating the maximum EXC allowable for the EXC period. Annual base salary is adjusted when administrative pay is involved. Details of these calculations can be found on the EXC Calculator available on the SRS website.

Term Off and Administrative Pay: Term-off pay (traditionally summer) and lump-sum administrative pay (paid in one or two monthly amounts during the term off) will reduce the maximum amount of EXC that can be paid.

H. AGENCY RESTRICTIONS

Restrictions on EXC include, but are not limited to, the agencies listed below. It is the faculty member's responsibility to be aware of agency guidelines and policies. EXC requests exceeding agency limits will be adjusted accordingly for payment without notification or returned to the originating department.

University of Cincinnati

Research Effort Reporting and Extra Compensation (EXC) Payment Process 2021

H. AGENCY RESTRICTIONS continued

Department of Health and Human Services (DHHS): Since 1990, Congress has legislatively mandated a limitation on direct salary for individuals under NIH grant and cooperative agreement awards (referred to here as a grant). The mandate appears in The Further Consolidated Appropriations Act, 2020 (Public Law 116-94), signed into law on December 20, 2019, which provides authority for NIH to incur obligations for FY 2020. The Further Consolidated Appropriations Act, 2020, restricts the amount of direct salary to Executive Level II of the Federal Executive pay scale. Executive Level II salary increased to \$197,300 effective January 5, 2019. The nine (9) month equivalent is \$121,415.38 (\$94.86/hour).

National Science Foundation (NSF): NSF has changed its policy, effective for proposals received on or after January 5, 2009, to allow two months of cumulative salary compensation for senior personnel throughout a one-year period, i.e. maximum of 2 months adjusted base salary. The new policy applies to all senior personnel and drops the distinction between summer salary and academic year salary. This includes salary received from all NSF funded grants. The university has defined the "one year period" to follow the EXC research year (August 15, 2020 to August 14, 2021 for AY2021). Any NSF payments above two months MUST have Institutional prior approval. A letter of request along with justification should be provided to SRS Grants Division for review and determination in these highly unusual circumstances. If approved, contact SRS Accounting for a revised EXC Calculator.

Ohio Coal Development Office (OCDO): OCDO allows a maximum of 2/9 of the annual base salary to be paid.

Department of Justice (DOJ): For any award above \$250,000, recipients may not use federal funds to pay total cash compensation (salary plus cash bonuses) to any employee of the award at a rate that exceeds 110% of the maximum annual salary payable to a member of the Federal Government's Senior Executive Service (SES) at an agency with a Certified SES Performance Appraisal System for that year. The Executive Level II salary was increased to \$197,300 effective January 5, 2020. The nine (9) month equivalent is \$133,556.92 ($\$94.86/\text{hour} * 110\% = \104.34 for DOJ awards).

I. EXTRA COMP List Serve:

If you wish to receive Extra Compensation notices and reminders, please join the UC EXTRACOMP list serve. This is available to any interested staff or faculty members that wish to receive various EXC notices, updates and reminders that are sent though out the year.

Link: <https://listserv.uc.edu/scripts/wa.exe?SUBED1=UC-EXTRACOMP&A=1>