



# COMPLIANCE E-NEWS

## Extra, Extra! Extra Pay

Kerry Borawski, Senior Research Auditor

Extra Pay in federal grant programs is a sensitive issue requiring special attention by all who participate in sponsored programs for Saint Louis University. It is sometimes referred to as "Additive Pay" and "Supplemental Pay" and carries unique meaning for faculty in federal sponsored programs as compared to additive pay funded by the University. The subject of this article is specific to faculty supplemental pay funded by federal grant programs, and is addressed in the University's pending "Policy Concerning Additive Pay for Faculty on Sponsored Programs".



[http://www.slu.edu/Documents/provost/policies\\_procedures/additivepayforfacultyonsponsoredprograms.pdf](http://www.slu.edu/Documents/provost/policies_procedures/additivepayforfacultyonsponsoredprograms.pdf)

Additive Pay is compensation that is over and above a faculty member's contracted salary amount and paid in extremely unusual circumstances. In fact, the federal regulations in OMB Circular A-21 state that;

*"In no event will charges to sponsored agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period. This principle applies to all members of the faculty at an institution."*

Further, intra-University consulting is assumed to be performed within the faculty member's regular obligation to the University and requires no additional compensation. The regulations allow for additive pay in **unusual** cases "where consultation is across departmental lines or involves a separate or remote operation, **and** the work performed by the faculty member is in addition to his/her regular departmental load". It's important to note that both conditions must exist to be an allowable expense and these cases represent exceptional circumstances.

If the grant management team believes that a certain faculty member's additional work qualifies as an exceptional circumstance, then additional criteria should be considered when determining if the extra pay will be considered allowable by the Office of Sponsored Programs:

1. The intra-departmental consultation must be considered outside of the faculty member's regular duties.
2. The services and scope of the additional work must be specifically approved by the sponsor, either in the original sponsored agreement award document or in some other form of communiqué from the external sponsor. Also, they must use the terms "Supplemental Pay", or "on a supplemental basis" in the approval.
3. The faculty member should not be functioning within their "Total Professional Effort" in the performance of the award.
4. The services must be considered reasonable, allowable and allocable to the project.
5. The faculty member shall not be serving as the Principal Investigator on the project.
6. The faculty member is not otherwise providing services to the project as a University employee.
7. Written approval has been obtained by the faculty member from his/her departmental chairperson or dean, and the Office of Sponsored Programs.

In order to receive extra pay, the faculty member must complete the Additive Pay Form published by the Office of Sponsored Programs, documenting a clear justification and including the necessary authorization signatures. One should also note that the rate of pay allowed in these unusual cases should be consistent with nature of work performed but cannot exceed the faculty member's base pay rate.

Extra Pay for faculty members within federal programs is unusual and requires significant planning and thorough documentation before being considered allowable expenses. Grant management teams are encouraged to devote special consideration to such cases. Additional questions may be directed to Joe Sanning, Director of Sponsored Programs, at 314-977-2380.

If you have any comments or questions regarding the Compliance E-News please contact Lynn Monahan at [monahanl@slu.edu](mailto:monahanl@slu.edu)

# Compliance Academy

## Schedule of Classes

### August – September 2011

**2011 Annual Compliance Update** – Registration not required  
(Mandatory completion by 12/31/11)

|                    |                 |  |
|--------------------|-----------------|--|
| August 17, 2011    | 7:00 – 8:00 am  | Department of Surgery Grand Rounds, School of Medicine, Lecture Hall 1 |
| August 19, 2011    | 12:00 – 1:00 pm | Cardinal Glennon Hospital, Hussmann Room, First Floor                  |
| September 12, 2011 | 12:00 – 1:00 pm | Pathology Rounds, Learning Resource Center, Auditorium C               |

**Health Insurance Portability & Accountability Act (HIPAA) General Session**  
Registration not required

|                    |                |   |
|--------------------|----------------|---|
| August 18, 2011    | 3:00 – 4:00 pm | Compliance Academy Classroom, Schwitalla Hall, Room M229H |
| September 22, 2011 | 3:00 – 4:00 pm | Compliance Academy Classroom, Schwitalla Hall, Room M229H |

**Compliance Topics in Billing, Coding and Reimbursement (Billers Meeting)**

Topic: *Inquiring Minds: Documentation, Coding, Conflicts & Reimbursement in Research*  
Registration not required

|                    |                 |  |
|--------------------|-----------------|--|
| September 20, 2011 | 10:00- 11:30 am | Learning Resource Center, Auditorium C |
|--------------------|-----------------|--|



*Reminder:*

*Please contact the Compliance Department at 977-5545 to schedule a mandatory individual compliance education session for **all new faculty** and clinical providers that bill for services.*