

Special Considerations for Extra-Service Compensation Payments from Federal Funds

Extra and Supplemental Compensation from federal funds is governed by the U.S. Office of Management and Budget (OMB) Circular A-21. Federal regulations prohibit faculty extra-service compensation payments from federal funds except in special circumstances. Faculty extra-service compensation from federal funds can only be allowed when all of the following conditions are met:

1. Request does not exceed the normal rate of pay based on the faculty member's institutional base salary
2. Work is for consultation across departmental lines –or- involves a separate or remote operation
3. Work is in addition to the primary role assignments
4. The request is specifically proposed and included in the approved budget and/or agreement with the sponsoring agency or otherwise approved in writing by an authorized representative. If not specifically and explicitly provided for in the approved proposal, budget and/or award, an official approval must be requested before any work is done on an extra contractual basis.

Extra Service Compensation may be paid to non-exempt and exempt staff not serving as key personnel as long as it is a cost-effective means of achieving project objectives and conforms to established university policies.