

UMBC/OSP Guidelines on Overloads Involving Sponsored Awards

March 7, 2023

An Overload is additional pay earned by an employee (Faculty and Staff) for work performed that is substantially different and in addition to the essential duties and responsibilities of the employee's regular position to operating units other than their own. The employee and the supervisor must mutually acknowledge and agree that the Overload will not interfere with the performance of the employee's regular duties.

This document provides guidance for faculty and administrators to address [Faculty Handbook Section 9.3.6](#), entitled "Limitations on Availability", when submitting an Overload request. [Section 9.3.6](#) states that the "availability of additional compensation shall also be subject to prohibitions, limitations and or restrictions contained in sponsored research agreements, USM or UMBC policies, federal and/or state law, or terms contained in appointment letters or agreements with individual faculty members".

Compensation, including overload payments, for personnel paid on federal or federal flow-through funds, is governed by The Uniform Guidance (2 CFR Part 200). Recent federal government audits have resulted in several institutions' disallowances of substantial sums of money. The relevant section is found in [§200.430 Compensation](#)—personal services is [\(h\)\(2\) through \(h\)\(4\)](#) and reads:

(2) *Salary basis.* Charges for work performed on Federal awards by faculty members during the academic year are allowable at the [Institutional Base Salary \(IBS\)](#) rate (*Note: Please see the [UMBC Institutional Base Salary \(IBS\) Definitions document](#) that outlines what is and is not included in IBS*). IBS is defined as the annual compensation paid by an Institute of Higher Education (IHE) for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the IHE. Except as noted in paragraph [\(h\)\(1\)\(ii\)](#) of this section, in no event will charges to Federal awards, irrespective of the basis of computation, exceed the proportionate share of the IBS for that period (*Note: Please see USM/UMBC policy [USM II-3.10 Policy on Professional Commitment of Faculty regarding external commitments](#)*). This principle applies to all members of the faculty at an institution. Unless there is prior approval by the Federal awarding agency, charges of a faculty member's salary to a Federal award must not exceed the proportionate share of the IBS for the period during which the faculty member worked on the award.

(3) *Intra-Institution of Higher Education (IHE) consulting* by faculty is assumed to be undertaken as an IHE obligation requiring no compensation in addition to IBS. However, 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 or her regular responsibilities, any charges for such work representing additional compensation above IBS are allowable provided that such consulting arrangements are specifically provided for in the Federal award or approved in writing by the Federal awarding agency.

(4) *Extra Service Pay* normally represents overload compensation, subject to institutional compensation policies for services above and beyond IBS. Where extra service pay is a result of Intra-IHE consulting, it is subject to the same requirements of [paragraph \(b\) – Reasonableness](#). It is allowable if all the following conditions are met:

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- (i) The Non-Federal entity establishes consistent written policies which apply uniformly to all faculty members, not just those working on Federal awards. (Note: UMBC Policy is located in the [Faculty Handbook Section 9.3 UMBC Policy on Additional Compensation](#))
- (ii) The non-Federal entity establishes a consistent written definition of work covered by IBS which is specific enough to determine conclusively when work beyond that level has occurred. This may be described in appointment letters or other documentation. (Note: Please see the [Institutional Base Salary \(IBS\) Definitions document](#) that outlines what is and is not included in IBS)
- (iii) The supplementation amount paid is commensurate with the IBS rate of pay and the amount of additional work performed. See [paragraph \(h\)\(2\)](#) of this section.
- (iv) The salaries, as supplemented, fall within the salary structure and pay ranges established by and documented in writing or otherwise applicable to the non-Federal entity.
- (v) The total salaries charged to Federal awards, including extra service pay are subject to the Standards of Documentation as described in [paragraph \(i\)](#) of this section.

Please see 2 CFR Part 200.430 for [Section 5](#) – Periods outside the Academic Year, [Section 6](#) - Part Time Faculty, [Section 7](#) – Sabbatical leave costs, and [Section 8](#) – Salary rates for non-faculty members.

Accordingly, overload payments are never allowed where federal funds are involved without specific sponsor approval. In addition, overload compensation is not approved and provided just because an employee receives a sponsored award.

Related external funding and compensation literature can also be cited as part of [USM Policy II-1.25.V.3](#). That policy states the following:

“Externally Funded Research and Service Activities. Assignment of a higher percentage of a faculty member’s workload for research or service activities can be supported by external funds, either research or training grants. In these instances, the accompanying reduction of expectations in other areas should mirror the replacement of departmental salary support by externally funded salary support.”

Note that this policy statement would be the same for Overload as well. One should not receive additional pay just because sponsored funds cover a portion of their salary. Effort should be adjusted based on where the effort is apportioned -- much like a balloon filled with water that maintains the same overall size. Effort is always 100%, and the components that make up that 100% should flex depending on the funding sources-- but not more than 100%, unless the work is clearly outside the scope of their employment. Please see the following link for more information on effort reporting: <https://cga.umbc.edu/effort-report-reference-guide/>.

PROCEDURES:

The Office of Sponsored Programs (OSP) requires the following:

Two categories impact sponsored awards: Overload paid directly from a sponsored award and Overload paid to an individual on a sponsored award, where the funds to pay the Overload are coming from a source other than a sponsored award.

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Category #1

1) **Overloads paid directly from a sponsor award:** If sponsored award funds are to be used to pay for an Overload, this needs to be reviewed by the OSP Grants and Contracts Manager. The Uniform Guidance provides specific conditions for an overload to be allowable. Among those conditions is a clear definition of [Institutional Base Salary \(IBS\)](#). Any overload request to be paid from an extramural award must be based on an IBS that follows those guidelines.

To be allowed under the Uniform Guidance (UG), the duties included in an appointment must be delineated enough so that the duties under the requested Overload can be easily separated from the duties of the appointment.

All Overloads to be paid from sponsored awards must be approved by the OSP Grants and Contracts Manager. Therefore, no Overload can commence until approval is made (please see the section below entitled "Prior to Contacting OSP with a Formal Request"). The following documents must be submitted to OSP in an appropriate timely manner in order to facilitate the Overload request:

a) Notification of the request, including the full name of the person to receive the Overload, the source of the funds, the total amount of the Overload in terms of dollars AND associated effort, the start and end dates of the Overload, the duties performed warranting the Overload, and a justification of why those duties fall outside the individual's appointment. This letter should also certify that the request meets the definition of overload compensation per 2 CFR Part 200.430.

b) The Department Chair and Dean (or equivalent)'s request for exemption filed with the UMBC Provost's Office must certify that the Overload assignment is outside the appointment expectations as contained in the individual's appointment letter or contract. The request must also certify the individual's tasks and schedule will be arranged such that their Overload assignment will not negatively impact the work or schedule of deliverables supported by the sponsoring agency or agencies funding any portion of the individual's salary during the Overload period.

c) A copy of the most recent document showing the individual's appointment, salary, and duties.

d) A copy of the individual's Current & Pending Support Document, which includes the individual's person months committed and effort percentage for each proposal and award

e) A brief description of the history, if any, of overloads for the individual.

f) Documentation of Overload approval from the Program Officer of the sponsor agency. It is the requesting department's responsibility to obtain approval of the Overload from the Program Official at the sponsoring agency. However, it is not always clear at this stage if sponsor agency approval is required. So, please contact your OSP Grants and Contracts Manager to inquire if approval from the Sponsor's Program Official is warranted **prior** to contacting the Program Official.

OSP will review the requested materials and submit the official institutional request to the Administrative Official of the sponsoring agency, including certification the request meets the definition of overload compensation per 2 CFR Part 200.430. At this time, the PI can also inform the Sponsor's Technical Contact that a formal request has officially been submitted. The internal Overload request can move forward to the Provost's Office with the understanding that Overload cannot commence without the sponsoring agency's official approval.

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Category #2

Overload paid to an individual on a sponsored award, where the funds to pay the Overload are coming from a source other than a sponsored award: Overloads and additional supplemental pay have the impact of "diluting" effort reported on extramural awards. For this scenario, OSP requests units send the following information to their OSP Grants and Contract Manager for the OSP Director's review to confirm if further sponsor approval is required:

a) Items a) and b) requested in Category #1 above must be provided

b) Summary of extramural sponsored awards AND proposals (the individual's Current & Pending Support Document) that includes the individual's effort on each proposal and award as well as the impact Overload will have on effort for each award and potential proposal. OSP needs this information to evaluate whether the reduction in effort will require the sponsoring agency's approval. If OSP confirms the Overload request does not require the sponsoring agency's approval, OSP will notify the department to allow the internal request to move forward to the Provost's Office for final approval. If it is determined sponsor approval is required, OSP will request all materials outlined under Category #1 for further evaluation.

Note: If an individual requesting overload is not directly or indirectly impacting a Sponsored Award, the above guidelines would NOT apply

Prior to Contacting OSP with a Formal Request:

If an Overload is an option under consideration, the Principal Investigator (PI) should communicate with their units' Research Administrator ("Unit Administrator") as soon as possible. They should discuss alternative options to Overload for allocating time to any sponsored awards either directly or indirectly impacted. Options to consider include but are not limited to, buying out effort currently allocated to instruction or state supported research, increasing graduate student support, and/or new or expansion of collaborators effort. After this initial discussion, if Overload is still needed, the PI and unit administrator should notify the Department Chair of the intention to request an Overload.

If the Chair, PI, and Unit Administrator determine there are no other available and/or reasonable alternatives, the Overload Request should be informally provided to the Office of Sponsored Programs (OSP) via email (with a "cc" to the Dept. Chair and the Dean's Office of that particular College) for OSP review. Please provide OSP with the the reasoning/justification for the Request, the PI's Current/Pending Support documentation, and the contact information for the Sponsor's Administrative Official. OSP may follow up with the Chair, PI and Unit Administrator if additional information is needed. If the OSP Manager feels they have sufficient information, they will initiate an informal request to the Sponsor (Administrative Official) seeking verification that the sponsor would informally consider Overload on the award. At this time, the OSP Manager will also ask the PI to make the same informal request to their Program Manager (i.e., Sponsor Technical Contact).

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As timing is often a factor, we recommend that while the OSP Manager is informally requesting Sponsor verification, the PI and Unit Administrator continue to work on and provide OSP all relevant and required Overload materials (as described under Category #1 and #2). If the Sponsor rejects OSP's informal inquiry, the Overload request should not continue. If the Sponsor informally confirms they would consider a FORMAL Overload request, OSP will notify the PI and Unit Administrator. Once the items under Category #1 or #2 are provided to, and accepted by, OSP, OSP will formally submit the Overload request with accompanying materials to the Sponsor. At this time, the PI can also inform the Sponsor's Technical Contact that a formal request has officially been submitted. Please note: with informal sponsor approval the UMBC process for the official request would follow the guidelines established in [Section 9.3.5](#) of the [Faculty Handbook](#). However, as noted above, an Overload either directly or indirectly impacting a sponsored award is not fully approved until an institutional official from the sponsor formally approves.

FOR REFERENCE:

2 CFR Part 200 (Uniform Guidance)

§ 200.430 Compensation - personal services.

(h) Institutions of Higher Education (IHEs).

(1) Certain conditions require special consideration and possible limitations in determining allowable personnel compensation costs under Federal awards. Among such conditions are the following:

(i) Allowable activities. Charges to Federal awards may include reasonable amounts for activities contributing and directly related to work under an agreement, such as delivering special lectures about specific aspects of the ongoing activity, writing reports and articles, developing and maintaining protocols (human, animals, etc.), managing substances/chemicals, managing and securing project-specific data, coordinating research subjects, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences.

(ii) Incidental activities. Incidental activities for which supplemental compensation is allowable under written institutional policy (at a rate not to exceed institutional base salary) need not be included in the records described in paragraph (i) of this section to directly charge payments of incidental activities, such activities must either be specifically provided for in the Federal award budget or receive prior written approval by the Federal awarding agency.

(2) Salary basis. Charges for work performed on Federal awards by faculty members during the academic year are allowable at the IBS rate. Except as noted in paragraph (h)(1)(ii) of this section, in no event will charges to Federal awards, irrespective of the basis of computation, exceed the proportionate share of the IBS for that period. This principle applies to all members of faculty at an institution. IBS is defined as the annual compensation paid by an IHE for an individual's appointment, whether that individual's time is spent on research, instruction, administration, or other activities. IBS excludes any income that an individual earns outside of duties performed for the IHE. Unless there is prior approval by

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*(3) **Intra-Institution of Higher Education (IHE) consulting.** Intra-IHE consulting by faculty should be undertaken as an IHE responsibility requiring no compensation in addition to IBS. However, 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 or her regular responsibilities, any charges for such work representing additional compensation above IBS are allowable provided that such consulting arrangements are specifically provided for in the Federal award or approved in writing by the Federal awarding agency.*

(4) Extra Service Pay normally represents overload compensation, subject to institutional compensation policies for services above and beyond IBS. Where extra service pay is a result of Intra-IHE consulting, it is subject to the same requirements of paragraph (b) above. It is allowable if all of the following conditions are met:

(i) The non-Federal entity establishes consistent written policies which apply uniformly to all faculty members, not just those working on Federal awards.

(ii) The non-Federal entity establishes a consistent written definition of work covered by IBS which is specific enough to determine conclusively when work beyond that level has occurred. This may be described in appointment letters or other documentations.

(iii) The supplementation amount paid is commensurate with the IBS rate of pay and the amount of additional work performed. See paragraph (h)(2) of this section.

(iv) The salaries, as supplemented, fall within the salary structure and pay ranges established by and documented in writing or otherwise applicable to the non-Federal entity.

(v) The total salaries charged to Federal awards including extra service pay are subject to the Standards of Documentation as described in paragraph (i) of this section.

End of 2 CFR Part 200