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A Note Concerning Summer Salary Supported by Sponsored Programs

The University of Massachusetts Board of Trustees policy document T01-12, adopted in February 2001, allows faculty members on full-time academic-year (9-month) appointments to earn up to 33% of their base annual salary as additional compensation in a given calendar year contingent upon prior written approval from their department chairperson and dean¹. The sources of this additional compensation are all inclusive (e.g., state budgets, trust funds, sponsored programs) as are the duties for which the compensation is provided (e.g., administrative, public service, research, teaching – including overload, distance-delivered, corporate and continuing education). This policy does not distinguish between additional compensation that is earned during the academic year or during the summer. Trustee document T01-12 provides detailed information on the circumstances and conditions under which this additional compensation may be paid to a faculty member. This note is written to clarify the rules, regulations, and procedures that govern the payment to UMass Boston faculty members of summer additional compensation – or summer salary – that is supported by sponsored programs.

What is summer salary?

Summer salary is defined as any compensation paid during the summer period to a UMass Boston faculty member in excess of his or her academic-year salary. The summer period is defined to be the period outside the base salary period of the academic year appointment; that is, the period that starts on the day after Commencement in the spring semester and ends on August 31 (the day prior to the first day of the fall semester, which is September 1 each year).

How is summer salary calculated?

Federal regulations² stipulate that summer salary supported by sponsored programs must be “computed and paid at a percent effort rate not in excess of the faculty member’s official annual base salary divided by the number of months in the period for which that base salary is

¹ The Pre-Approval for Payment of Additional Compensation and Bonus Payments form is available on the HR Web at <http://www.umb.edu/hr/compensation/compensation.html>.

² These rules and regulations are set out in the U.S. Office of Management and Budget Circular A-21: Cost Principles for Educational Institutions.

paid.” Therefore, the summer salary for full-time 9-month UMass Boston faculty members working in the summer must be paid at a rate not to exceed $1/9^{\text{th}}$ of the annual base salary of the previous academic year for each of the three months of the summer period. Summer salary is limited in each case by the terms of the supporting grant or contract and must be in accordance with granting agency policy.

For example, Professor Smith’s annual base salary for the 9-month academic year is \$90,000 and she proposes to devote 40% effort to a sponsored program during one month of the upcoming summer. The summer salary to be charged to the sponsor for Professor Smith’s work on the project will be paid at the rate of $1/9^{\text{th}}$ of \$90,000 or \$10,000 for each month of the summer. Because her percent effort on the project will be 40% during one summer month, a total of $\$10,000 \times 0.40$ or \$4,000 will be included in the project budget for Professor Smith’s summer salary.

If the sponsor will pay it, can I receive summer salary at a rate that is greater than my rate for the academic year?

The university adheres to federal regulations, which specifically prohibit the use of sponsored program funds to “increase or supplement faculty salaries above the institutional scale for an individual’s salary.”

Can I be paid summer salary from sponsored programs if I received additional compensation during the academic year?

It is important to note that the Board of Trustees policy restricts the total additional compensation from all sources in a given calendar year to 33% of the faculty member’s base annual salary. Consequently, the calculation of the amount of summer salary a faculty member can earn from a sponsored program must take into account the amount, if any, of additional compensation that has been paid during the current calendar year. In other words, the maximum summer salary supported by sponsored programs that can be earned is equal to 3 months at $1/9^{\text{th}}$ of the annual base salary per month.

If I receive summer salary, can I still take a vacation?

The payment of summer salary obligates the faculty member to provide the proposed percentage of effort work on the sponsored program for the full period for which compensation is paid. A faculty member who requests summer salary for 100% effort on sponsored program activities for all 3 months of the summer must forego vacation entirely during the three summer months.

What happens if I am working on more than one sponsored program in the summer?

A faculty member may work on more than one sponsored program and receive summer salary from each one, provided that the total amount received does not push the faculty member’s total additional compensation for the year over the 33% limit set by the university policy. But care must be taken to ensure that no more than 100% effort is committed each month to the combination of the sponsored programs. In addition, the faculty member must include in the

cumulative total of effort any other university responsibilities during the summer (e.g., student advising, curriculum review, professional development).

Is it true that some agencies place caps on summer salary?

Certain agencies place caps on summer salary that can be paid to faculty members working on sponsored programs. If applicable, these salary caps supersede university regulations. For example, the National Science Foundation (NSF) Grant Policy Manual states that “proposal budgets submitted should not request, and NSF-approved budgets will not include, funding for an individual investigator which exceeds two-ninths of the academic year salary. This limit includes summer salary received from all NSF-funded grants.” The National Institutes of Health (NIH), on the other hand, allows summer salary to “the equivalent of three months at 100 percent effort,” but the total amount the faculty member can earn during the year is limited to “Executive Level I of the Federal Executive Pay scale.” (At the time of this writing, that amount is \$191,300.)

Can I receive summer salary for my work on a sponsored program done during the academic year?

Federal regulations stipulate that summer salary from sponsored programs “must be for actual work performed on the sponsored program from which the funds are paid and must be paid for personal services performed during the period stipulated.” In particular, a faculty member cannot be paid in the summer period for work that was done on a sponsored program in the previous 9-month academic year, nor can the faculty member be paid for work that will be done in the following 9-month academic year. Grant and contract sponsors require written Certification of Effort reports signed by the faculty member that document the time and effort spent on a sponsored program during the period in which the grant work was carried out and for which an individual is being compensated. Furthermore, this documentation must be based upon information that is maintained in the university’s HR enterprise resource planning database (PeopleSoft).

Any questions concerning summer salary supported by sponsored programs should be directed to the professional staff of ORSP.

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