calculation differs, however, for effort expended on grant projects during the summer months since it is outside the contract period.\textsuperscript{10}

University policies govern summer teaching pay rates. Compensation to faculty members for summer teaching activities from grant funds is permissible provided the rate of pay is equal to or less than that paid to faculty for teaching that is not grant funded. Nine or 10 month faculty can also receive compensation for non-teaching activities attributable to a grant and performed during the summer, but the rate of pay must not exceed the faculty member’s rate of pay for the previous academic year. For example, a faculty member on a 10 month contract with a salary of $50,000 who will work full time on a grant-funded project for two months during the summer can earn $10,000. ($50,000 / 10 = $5,000 monthly salary x 2 months = $10,000.) Faculty members teaching a full load during the summer are not eligible for additional compensation.

Summer compensation rates may be further restricted by granting agencies and university policy.

**Administrative and Clerical Employees**

Grant budgets generally cannot include direct cost for compensation for administrative employees (including deans and heads of departments) or clerical employees (such as administrative assistants or other office staff) because these expenses are considered part of F&A costs.\textsuperscript{11}

In order for administrative and clerical salaries and wages to be included as direct costs instead of F&A, the budget submitted to the granting agency must disclose that the position is administrative or clerical and explain why funding is being requested for the expenses as a direct charge rather than F&A.

After the grant is awarded, the PI/PD can ask the Controller’s Office to seek explicit approval in writing from the grant/business officer of the granting agency. (Note that program officers are generally not authorized to permit exceptions to agreements or fiscal compliance policies and practices.)

**Supplemental Compensation**

Supplemental compensation is defined as extra compensation paid to an employee above his or her base pay, such as a stipend in addition to regular pay during the contract period. Individuals can only receive supplemental compensation from a grant for intra-university consulting if all of the following conditions are met:

- The consultation is across departmental lines or involves a separate or remote operation;
- The work performed by the consultant is in addition to his regular departmental load; and
- The extra compensation above the base salary is specifically provided for in the agreement or approved in writing by the sponsoring agency.

Note that all three of these conditions must be met in order for supplemental compensation to be allowed. In order to meet the last condition (written approval by the sponsoring agency), the

\textsuperscript{10} Section J.10.d.(1) of OMB Circular A-21

\textsuperscript{11} Section F.6.b.(2) of OMB Circular A-21