UNIVERSITY OF MIAMI
SPONSORED PROGRAMS POLICIES AND PROCEDURES

Section F: Cost Principles
Policy F1.1: Salaries, Wages and Overload Payments

Purpose:
To establish the policy and procedure that will ensure the consistent and uniform application of criteria and guidelines in determining salary and wages for all personnel at the university, regardless of source of funding.

Definitions:
Overload Compensation: Compensation paid to employees by the university, in addition to base salary, for work performed on a nonpermanent basis, when such work is unrelated to normal duties and responsibilities, or is across supervisory lines and does not interfere with the performance of normal duties and responsibilities.

Policy:
Personnel salary or wages charged to sponsored programs must be based upon the same criteria and/or be subject to the same pay plan and pay ranges as for other university personnel.

Federal regulations state that salaries and fringe benefits of administrative and clerical staff should be charged as Facilities & Administrative costs (formerly known as "indirect costs"). Exception to this rule allow, under special circumstances, the direct charging for salaries and fringe benefits of administrative and clerical staff if the award meets “Major Project” definition (see policy F1). Justification as to Major Project status is the responsibility of the Principal Investigator who must document the explanation for the files.

Overload payments on most sponsored awards are rarely an allowable cost. The university will not authorize such payments without advance written approval from the sponsoring agency. Once approval has been given by the sponsor, the university’s authorization requires the approval of the principal investigator (PI) and the department chairperson or his/her designee. In addition, Sponsored Programs - Expenditure Compliance Administration will ensure that all paperwork is in order and has been approved by the agency and the University prior to approving overload payments.

If a request for payment of a named individual on an overload basis is clearly indicated in a proposal budget, and the budget is funded as requested, agency approval will be assumed.

References:
University of Miami, Human Resources Policies and Procedures.
University of Miami, Faculty Manual.
OMB Circular A-21.
PROCEDURES:

1. If overload payments are needed for a sponsored project, the PI must seek prior approval from the sponsoring agency. A copy of the approval is to be attached to the required salary forms.

2. Overload payments are normally limited to 20 percent of contract or regular salary for the period involved. Exceptions must be recommended by the appropriate Dean or Director and approved by Faculty Affairs.

3. For faculty with nine month contracts, payment in any period outside the academic year contract period which exceeds the base rate (one-ninth contract salary per month) is considered overload except as may occur in the following step.

   a. Payment for research effort during a regular summer session contract period will be computed at the academic year regular base rate (i.e., six credits represents 100 percent effort, three credits 50 percent effort).