Purpose

This policy establishes The University of Texas at Dallas (UT Dallas) institutional guidelines for Compensation Confirmation. The policy complies with the requirements of the Office of Management and Budget (OMB) 2 CFR 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards Section 200.430 Compensation - personal services.

Policy

The Office of Management and Budget ("OMB") 2 CFR 200 Uniform Administration Requirements, Cost Principles and Audit Requirements for Federal Awards (Uniform Guidance) sets forth the cost principles that institutions of higher education must follow in expenditures of federally sponsored program funds.

OMB 2 CFR Section 200.430 stipulates charges must "be supported by a system of internal control which provides reasonable assurance that the charges are accurate, allowable, and properly allocated" and "reasonably reflect the total activity for which the employee is compensated by the non-Federal entity, not exceeding 100% of compensated activities." Institutional compliance requires an after-the-fact review to support the compensation charged to a sponsored project and/or committed cost share does not exceed the proportionate share of the institutional base salary (IBS) for the work performed on the project.

UT Dallas' Cost Center Account Reconciliation application provides an after-the-fact review and approval that demonstrates good stewardship and accountability of financial resources. It is a comparison of the department's monthly financial transactions in PeopleSoft to supporting documentation. Reconciliation is essential for an effective internal control environment to ensure:

- The accuracy and validity of the entries and balances.
- The transactions are accurately recorded.
- Unauthorized charges/changes did not occur.
- Resolution of discrepancies occurs in a timely fashion.

In accordance with UTD's procedures for account reconciliation, the after-the-fact review of compensation charges are performed by the cost center owner, Principal Investigator/Co-Principal Investigator (Co-PI) or assigned Departmental Administrator.

Definitions

Co-Principal Investigator (Co-PI) - Co-PIs are key personnel who have responsibilities similar to that of a PI on research projects. While the PI has ultimate responsibility for the conduct of a research project, the Co-PI is also obligated to ensure the project is conducted in compliance with applicable laws and regulations and institutional policy governing the conduct of sponsored research.

Cost Share - The portion of total project costs paid from sources other than the sponsoring agency. Committed cost share can be mandatory or voluntary.

- Mandatory cost sharing is required as a statutory condition of the award, the sponsor's program requirements, or the sponsor's solicitation.
- Voluntary committed cost share is cost sharing that is not required by the sponsor as a condition of the award but that is committed to the sponsor in the award proposal, narrative, budget, or budget justification.
Departmental Administrator - An individual appointed by the department to collaborate with the PI and/or Co-PI and serve as a liaison with Human Resources and Payroll for the duration of the project.

Institutional Base Salary - The base annual compensation set by the institution for an individual's appointment, whether that individual's professional activities are spent on instruction, research, public service, administration, or on other areas of focus, and whether that employee is appointed full-time or part-time. IBS excludes income that an individual may be permitted to earn outside of duties to the institution.

Principal Investigator (PI) - The primary individual responsible for the preparation, conduct, and administration of a research grant, cooperative agreement, training or public service project, contract, or other sponsored project in compliance with applicable laws and regulations and institutional policy governing the conduct of sponsored research.

Project - A research grant, cooperative agreement, training or public service project, contract, or other sponsored project funded by the federal government and administered through the Office of Research.

Project Anniversary Date - One calendar year from the start date of the Project.

Project End Date – Date on which the Project is ended and no further expenditures are allowed.

Reasonable - A cost is reasonable if, in its nature and amount, it does not exceed that which would be incurred by a prudent person under the circumstances prevailing at the time the decision was made to incur the cost.

Sponsored Projects Compensation Document (SPCCD) - The document distributed to the PI either at the Project Anniversary Date or the Project End Date, to confirm: a) all individuals listed worked on the Project; and b) the salary and wage expenditures charged to the Project are accurate and reasonable in relation to the work performed.

Roles and Responsibilities

Office of Research

• Maintain responsibility for this Policy.
• Provide training, guidance on requirements, and oversee University-wide compliance with this Policy.

PI or Co-PI - Review the Project salary and Cost Share charged relative to the work each individual is performing and their Institutional Base Salary (IBS) received.

• If the distribution reasonably reflects and does not exceed the estimated longer-term activities being performed (e.g. 90 days) or to be performed on the Project, no further action is needed.
• If the salary (and Cost Share) allocation does not reasonably reflect or exceeds the activities for the work performed on the Project by an individual(s) relative to their IBS, coordinate with Departmental Administrator to process a reallocation of payroll to the interim charges and future estimates as needed.

Department Administrative Staff

• Monitor salary charges, and cost sharing on all applicable awards.
• Communicate to Office of Sponsored Projects any changes that require sponsor notification and/or approval.
• Review salary charges with PI/faculty member and post any salary distribution updates and/or corrections in a timely manner.

Related Statutes, Policies, Requirements or Standards

OMB 2 CFR 200 - Uniform Guidance
Policy History

- Issued: 2016-12-07
- Revised: 2022-01-31

Policy Links

- Permalink for this policy: https://policy.utdallas.edu/utdbp3106
- Link to PDF version: https://policy.utdallas.edu/pdf/utdbp3106
- Link to printable version: https://policy.utdallas.edu/print/utdbp3106