



**UNIVERSITY OF GUAM  
UNIBETSEDAT GUÅHAN  
Board of Regents**

**Resolution No. 24-02**

**RELATIVE TO APPROVING THE UPDATE TO THE UNIVERSITY OF GUAM POLICIES  
ON COMPENSATION GUIDELINES FOR ACADEMIC EMPLOYEES FOR OVERLOADS, BUYOUTS,  
CLOSE-OUTS, INDIRECT DISTRIBUTION, AND INDIRECT RATES**

**WHEREAS**, the University of Guam (UOG) is the primary U.S. Land Grant and Sea Grant institution accredited by the Western Association of Schools and Colleges Senior College and University Commission serving the post-secondary needs of the people of Guam and the region;

**WHEREAS**, UOG must comply with federal and other sponsor/funder requirements for programmatic, regulatory, fiscal, and property stewardship for research activities, but also seeks to maximize opportunities for UOG programs and academic personnel;

**WHEREAS**, pursuant to 17 GCA § 16112, the Board of Regents (BOR) shall adopt rules and regulations governing selection, compensation, promotion, performance evaluation, disciplinary action, and other terms and conditions of employment affecting academic personnel;

**WHEREAS**, academic personnel are defined as faculty and administrators;

**WHEREAS**, the BOR has previously approved a policy governing overloads, buyouts, close-outs, indirect distributions, and indirect cost rates;

**WHEREAS**, with the belt-tightening that has been going on across the University, the University desires to encourage greater contributions from indirect costs and contracts performed by the University;

**WHEREAS**, the significant change in the policy is to encourage grant staff and those working through contracts to contribute a higher percentage of the grant or contract to the University as indirect cost reimbursements;

**WHEREAS**, the update to this policy has gone through the shared governance review process where internal stakeholders were able to provide input into this policy document; and

**WHEREAS**, the Academic, Personnel, and Tenure and Budget, Finance, and Audit Committees have reviewed and recommend these policies to the BOR for approval, and be placed in the Faculty and Administrator Manuals.

**NOW, THEREFORE, BE IT RESOLVED**, that the BOR approves the enclosed UOG Policies effective that date of the resolution, and that they be placed in the Faculty and Administrator Manuals.

Adopted this 22<sup>nd</sup> day of February, 2024.

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Sandra H. McKeever, Chairperson

**ATTESTED:**

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Anita Borja Enriquez, D.B.A., Executive Secretary

## Enclosure 1. Resolution 24-02

### **Overload Compensation Guidelines: Academic Employees Engaged in Extramural Grants and Contracts, and **Required Indirect Cost Rate Charges / Administrative Fees****

Federally and non-appropriated grant funding to projects that involve University of Guam (UOG) and the Research Corporation of the University of Guam (RCUOG) are managed in ways that provide oversight, accountability, and compensation. Overload assignments, including grant based, are not an entitlement but may be allowed when the UOG administration determines it is necessary and when the academic employee's Plan of Work outcomes and effort continue unaffected. Grant funds also have requirements on how the financial management of the funding must be done. Academic Employees are defined as faculty and BOR-approved administrators.

#### ***Federal Grants and Contracts***

The University of Guam and the Research Corporation of the University of Guam apply federal policy to the management of grants and contracts defined in the U.S. Office of Management & Budget (OMB) "Super Circular" or "Omni Circular" and is codified at 2 CFR Part 200.

UOG/RCUOG academic personnel effort, compensation, and benefits must be in compliance with these requirements when using federal funds. The President of the University of Guam is the recognized hiring authority for most federal grants and contracts awarded to UOG and RCUOG. Academic Employees, faculty and administrators, including federally-funded, may receive supplemental compensation under UOG policies and federal rules: Title 2 CFR Part 200.430 (e) Special consideration, (f) Incentive compensation, (h) Institutes of Higher Education (IHE) (1) Special considerations (i) Allowable activities, (ii) Incidental activities, (h) IHE (3) Intra-Institution of Higher Education Consulting (notes across departmental lines, remote operations, addition to regular responsibilities), (h) IHE (4) Extra service pay, (h) IHE (5) Periods outside academic year, and 200.431 Compensation-fringe benefits.

#### ***Institutional Base Salary***

Institutional base salaries (IBS) for full-time Academic Employees (12-month, 9-month) are established in the UOG administrator and faculty salary scales, as approved by the University of Guam's Board of Regents. IBS establishes the rate of pay (monthly, daily, or hourly) for Academic Employees. OMB 2 CFR 200.430(h)(2) stipulates that charges for work performed on federal grants and contracts may be charged at a rate that does not exceed an employee's IBS. Additional compensation (using the employee's IBS), up to a maximum of .50 12-month FTE, is allowed by both UOG and RCUOG. An employee's IBS rate may change due to an annual increment, promotion, other permanent compensation, or other role/position changes. Compensation on federal grants and contracts for work performed by an Academic Employee must be consistent with an employee's IBS. Where allowed by the funding source and included in funded proposal, additional compensation should include the cost of the full range of fringe benefits found in the Government of Guam system, or Social Security, as in the case of some RCUOG contracts.

#### ***Nominal Hours and Working Conditions***

The annual Plan of Work (POW) of full-time academic employees establishes the 1.0 FTE (a nominal 2080 hours per year for a 12-month employee and a nominal 1440 hours per year for 9-month employee).

A 12-month Academic Employee may work on federal grants in one of three (3) ways:

- 1) Work on the grant as part of the academic employee's regular Plan of Work with no additional compensation (where activities align with existing Plan of Work); or
- 2) Buying out a percentage of the academic employee's annual salary and benefits on a Time and Effort basis, thereby replacing local funds for work performed within the regular 12-month employment period (see Buyout below). This work replaces the equivalent portion (in terms of time and effort) of the academic employee's planned workload; or
- 3) Adding to the annual plan of work beyond 2080 hours, with overload pay at IBS; with or without full benefits based on funding source rules/proposal budget. Thus, during the year, an academic employee's may work above their nominal 2080 hours per year (1.0 FTE) and work an additional 30%, or 624 hours, above 2080 hours with written permission by the UOG Dean/Director/Vice Provost of Research & Sponsored Programs (VPRSP) and Senior Vice President and Provost's (SVPP) approval. Or, up to an additional 50% above 2080 hours with permission by the UOG Dean/Director/VPRSP, SVPP, and the UOG President. When full benefits are paid, a revised UG1, will be generated to reflect this change in annual workload and compensation.

A 9-month academic employee, typically a faculty member, may work on federal grants in one of four (4) ways:

- 1) Work on the grant as part of the academic employee's regular Plan of Work with no additional compensation (where activities align with existing Plan of Work); or
- 2) Buying out a percentage of the academic employee's annual salary and benefits on a Time and Effort basis, thereby replacing local funds for work performed within the regular 9-month employment period (see Buyout below). This work replaces the equivalent portion (in terms of time and effort) of the academic employee's planned work load; or
- 3)W here allowed by funding source, supplementing the annual Plan of Work for 9-month faculty, to include periods outside the 9-month contract (fall intersession and Summer/Finakpo'), with additional compensation (salary + benefits). So, during the year, a faculty may work above their required 1440 hours per academic year up to an additional 640 hours, to equal a total of 2080 hours per year, with permission/approval by the UOG Dean/Director/VPRSP, under a new UG1 reflecting increased salary, and benefits (when 2080 hours or more, movement to an annual 12 month scale); or
- 4)S upplementing the annual Plan of Work up to and beyond 2080 hours with overload pay at base salary rate (with or without full benefits based on funding source rules/proposal budget), so that during the year a faculty may work above the 12-month cap of 2080 hours per year (1.0 FTE) and work an additional 30% or 624 hours above 2080 hours with permission by the UOG Dean/Director/VPRSP and SVPP approval, or up to an additional 50% above 2080 hours with permission by the UOG Dean/Director/VPRSP, SVPP and President. When full benefits are paid, a revised UG1, will be generated to reflect this change in annual workload and compensation.

An academic employee's annual Plan of Work on federal grants/contracts may incorporate more than one of these ways, however, the total compensated work effort may not exceed 1.5 12-month FTE or 3,120 hours per calendar year, and time and effort (% FTE) must be accurately reported. Work on federal grants and contracts must be consistent with UOG's policies governing academic employee employment. See: University of Guam's Annual Disclosure Form for Conflicts of Commitment/Interest (link will be provided here).

## **Guidelines for Academic Employee Buyouts, Close-Outs, Indirect Distribution, Indirect Rates, *Required Indirect Cost Rate Charges / Administrative Fees***

### ***Buyouts***

Buyouts are charges to extramural grants and/or contracts that replace some government of Guam appropriated funds (local funds) for salaried academic employees under local funds, or replace other federal funds for salaried academic employees under federal funds. These employees receive a commensurate load reduction, a percent of a nominal 40-hour work week, in order to perform work on extramural projects separate from their Plan of Work. Grants and contracts are invoiced for academic employees' services based on approved Time and Effort reports. In the case of government of Guam-funded academic employees, invoiced repayments are directed to non-appropriated funds (NAF) accounts. In the case of federally-funded academic employees (federally matched or grant funded), invoiced repayments go directly to the account funding the academic employees' salary

Buyouts of locally-funded academic employees are subject to cost recovery, to cover work under a load reduction, prior to a distribution of the remaining amount. UOG's distribution of remaining buyout funds after cost of covering work under load reduction is:

- 70% to the Unit and academic employee
- 30% to the Office of the Senior Vice President & Provost

The Unit/PI's 70% split, on buyouts, are distributed using the following protocol:

A maximum of 20% (of after cost recovery funds) to the Unit (and can be less) and a minimum of 50% (of after cost recovery funds) to the academic employee.

Reimbursements of locally-appropriated funds for academic employees' services on extramural grants and contracts can be deposited into academic employees' and Unit discretionary accounts at RCUOG for those grants running through the RCUOG or at UOG for those grants running through UOG Business Office.

One hundred percent of the buyout of federally-funded or federally-matched academic employee must be deposited into the account funding the employee.

### ***Close-outs***

Close-outs are unexpended funds remaining in fixed price, lump-sum contracts that have not been encumbered or expended by the date of the end of the contract. When a grant or contract authority acknowledges satisfactory completion of the project, the remaining funds are distributed using the approved close-out protocol. For reference, the 9/7/2016 UOG president's memo set rates at:

- 70% to the Unit and Principal Investigator (PI)
- 30% to the Office of the Senior Vice President & Provost

The Unit/PI's 70% split, on buyouts, are distributed using the following protocol:

A maximum of 20% (of unexpended funds) to the Unit (and can be less) and a minimum of 50% (of unexpended funds) to the PI.

### **Indirect Cost Rates\***

UOG's Indirect Cost Rate (IDC) may vary by funding source and be updated periodically. For reference, the 2021 University Facilities and Administration (F&A) IDC for grants and contracts, approved by the U.S. Department of Health and Human Services, is:

- 39% of total project cost
- 16% for work conducted on grants and contracts off-campus

\* These rates are subject to change.

### **Indirect Distribution**

University of Guam Indirect Cost distributions adhere to the most recent BOR policy on Indirect Cost Allocation. For reference, the 2019 BOR Resolution No. 19-51, provides this distribution:

- 30% President's Development Fund
- 12% Finance & Administration Fund
- 5% Capital Improvement/Facilities Fund
- 18% Research Corporation of the University of Guam
- 3% Office of Research & Sponsored Programs
- 10% Principal Investigator
- 22% Unit

- a) Unit portions of multidisciplinary/multi-unit grants should be divided among Units proportionate to the FTE or Percent Work of the faculty in that unit working on the grant.
- b) The PI portion should be divided among PI, co-PI, and major faculty contributors; excluding those compensated in other ways (overload/contract, etc.), proportionate to the FTE or Percent Work performed by the employee on the grant.
- c) The appropriate ORSP "Intercollegial /Unit Agreement on the Distribution of F&A Costs Worksheet" should be used to document distribution agreements and must be signed by all parties and submitted to ORSP prior to the submittal of a grant application.

### **Required Indirect Cost Rate Charges / Administrative Fees**

Upon approval, for all new projects, grants, memoranda of agreement/understanding, and contracts, and in the case of a renewal/continuance, where the sponsor allows for modifications of conditions, all Principal Investigators (PIs) are required to charge UOG's full Indirect Cost Rate (IDC), based on UOG's Negotiated Indirect Cost Rate Agreement (NICRA), on the Modified Total Direct Costs (MTDC), or whatever maximum is allowed by the sponsor, up to UOG's full IDC. For all other all sponsored efforts that do not include the University's NICRA, or other indirect rate as mandated in writing by the federal and local award, the University of Guam will charge the following:

- a) Projects, grants, memoranda of agreement/understanding, and contracts \$49,999 and below, that do not include UOG's IDC, shall be charged a *de minimis* Administration Fee of 10% and should be directed to the UOG Business Office for support services. Capital improvement projects or those that require NGO collaboration may be directed to the UOG Endowment Foundation for support services. The 10% fee shall be distributed per this formula: 9% to the business unit handling the grant, and 1% to the PI.
- b) Projects, grants, memoranda of agreement/understanding, and contracts above \$50,000, that do not include IDC, shall be charged a 15% Administration Fee, and can be directed to the UOG Business Office or the Research Corporation of the University of Guam for support services. Capital improvement projects or those that require NGO collaboration may be directed to the UOG Endowment Foundation for support services.

- c) The appropriate ORSP "Intercollegial /Unit Agreement on the Distribution of F&A Costs Worksheet" shall be used to document distribution agreements and must be signed by all parties and submitted to ORSP prior to the submittal of a grant application.