



I, Aida Ávalo-Sánchez, Secretary of the Board of Trustees of the University of Puerto Rico, **DO HEREBY CERTIFY THAT:**

The Board of Trustees, in its regular meeting held on September 17, 2011, having considered the recommendation of its Committee on Academic Affairs and Research, and of the President of the University of Puerto Rico and the Vice President for Research and Technology, approved the following:

**POLICY FOR THE PROMOTION AND DEVELOPMENT OF RESEARCH
AT THE UNIVERSITY OF PUERTO RICO¹**

BACKGROUND

In 1997, the Board of Trustees, through its Certification Number 66, 1996-97, approved several measures related to the development of research at the University of Puerto Rico (UPR) that served well their purpose. Since then, the federal regulations related to programs that provide funds for forefront research in the University have undergone changes. It is therefore imperative for the University to modify its existing rules in order to adjust them to its current level of research development and to harmonize them with new federal policies and requirements. Hence, the present Policy establishes the University's position and definitions regarding what constitutes **“Institutional Base Salary”** (*“Salario Base Institucional”*)² (IBS) and **“Total Professional Effort”** (*“Esfuerzo Profesional Total”*) (TPE), and provide for their consistent application when proposing effort and payroll labor costs on sponsored agreements; charging actual costs to sponsored agreements and other institutional activities; and the formal reporting and accounting of costs to at a minimum, Federal sponsors. Consequently, we approve the following:

¹ As amended, *nunc pro tunc*, by Certification No. 49 (2012-2013).

² To be considered equivalent to the term “Base Salary” as defined by the National Science Foundation (NSF) and other federal sponsoring entities.



SCOPE

This policy establishes the University of Puerto Rico's definition of **Institutional Base Salary (IBS)** and **Total Professional Effort (TPE)** especially for **Sponsored Projects and** other institutional activities. It applies to all persons whose salary is charged to Sponsored Projects, totally or partially, and to all persons that have committed effort to a sponsor, but do not receive salary support from the sponsor, also known as cost sharing.

For purposes of this Policy, "**Sponsored Project**" refers to an activity with funding from external sources to the University, which is separately budgeted, accounted, and governed by specific terms and conditions of the sponsoring agency. A Sponsored Project can be in the form of grants, contracts or cooperative agreements for research, creative activity, teaching, and public service activities.

The definitions of **IBS**, **TPE**, **Sponsored Project** and any other definition contained in this Policy also shall apply to Certifications Nos. 15 and 16 (2011-2012), unless otherwise noted.

PURPOSES OF THE POLICY

This Policy establishes the definition of IBS and the requirements in the submission of proposals and the charging of sponsored agreements to comply with the requirements of **2 CFR 220 (OMB Circular A-21)**, Cost Principles for Educational Institutions, which, *interalia*, establishes the following:

"Compensation for personal services covers all amounts paid currently or accrued by the institution for services of employees rendered during the period of performance under sponsored agreements. Such amounts include salaries, wages, and fringe benefits. These costs are allowable to the extent that the total compensation to individual employees conforms to the established policies of the institution, consistently applied, and provided that the charges for work performed directly on sponsored agreements and



for other work allocable as F&A costs are determined and supported... Charges to sponsored agreements may include reasonable amounts for activities contributing and intimately related to work under the agreements, such as delivering special lectures about specific aspects of the ongoing activity, writing reports and articles, participating in appropriate seminars, consulting with colleagues and graduate students, and attending meetings and conferences. Incidental work (that in excess of normal for the individual), for which supplemental compensation is paid by an institution under institutional policy, need not be included in the payroll distribution systems described below, provided such work and compensation are separately identified and documented in the financial management system of the institution.”

Imprecision and inconsistencies in proposing, charging and/or documenting the salaries apart from the IBS and effort devoted particularly on Sponsored Projects can lead to economic sanctions, denial of the requests for reimbursement of expenses, and damage to the University’s reputation, among others.

REGULATIONS

- A. The **Academic Year for Faculty Personnel that performs academic instruction, and research duties**, is defined as the period included between the date when classes officially begin and the corresponding last day of classes, so that the total number of months per academic year will be nine (9) months. For purposes of this policy the timeframe is typically August 16 – May 15. Nevertheless, this definition will not release the Teaching Personnel dedicated to academic instruction from complying with their other academic responsibilities during the period between the end of classes and the official date for submitting final grades.



- B. The definition provided in paragraph A does not apply to Faculty Personnel that performs academic instruction and research duties in the Medical Sciences Campus nor to the University of Puerto Rico at Carolina, because their academic structure is different from the rest of the units of the University of Puerto Rico System.
- C. With the purpose of attracting and retaining more competitive and productive academic faculty personnel, who will also conduct research, creative activity, teaching/education improvement, training and/or services during the academic year in projects or activities as part of their regular workload, it is provided that such personnel may receive compensation, without restriction as to amount, subject to these norms, applicable federal costing principles and regulations, the terms and conditions of sponsoring agencies and/or the restrictions of the funding source.
- D. The Faculty Personnel dedicated to research, creative activity, teaching/education improvement, training, and/or services on a full-time basis during the summer period, may receive compensation for work performed during the summer with no limitation as to amount, subject to these norms, applicable federal costing principles and regulations, the terms and conditions of sponsoring agencies and/or the restrictions of the funding source. In consonance with regulation A, the summer research period for a 9-month AY campus, will correspond to a maximum of three person months, and will be established by the campuses' administrative boards. The period is allocated between the last day of classes for a given academic year and the day before classes begin in the next academic year. In the case of the Carolina campus, a maximum of two person months will apply.
- E. The compensation referred in paragraphs C and D may be funded by Sponsored Projects, University of Puerto Rico funds, or matching funds (in compliance with applicable Cost Sharing/Matching Funds Policies and



Procedures at the UPR) for research projects. Such compensation shall be subject to these norms, applicable federal costing principles and regulations, the terms and conditions of sponsoring agencies and/or the restrictions of the funding source.

- F. The provisions of paragraph D shall not apply to the academic units of the University of Puerto Rico that do not have summer periods. In the latter units, the authorized compensation shall be done on the basis of their corresponding academic year structures.
- G. It is a firm Policy of the University for Faculty that performs research, creative activity, teaching improvements, training or services must fully comply with all commitments incurred on Sponsored Projects. Towards these ends the University will authorize all Faculty that obtain funds for Sponsored Projects to perform the activities required to comply with the commitments incurred as part of their regular workload, and will honor, while safeguarding the best institutional interests, the release time and adjustments in other academic tasks for said personnel. The President of the University of Puerto Rico and the Chancellors of each campus will be vigilant of compliance with all obligations incurred with the Sponsored Projects and will document it.
- H. For the purposes of the Policy established herein for the development of research, creative activity, teaching improvements, training or services in the University of Puerto Rico, and in conformity with the requirements of applicable Federal policy, the following concepts are defined:

1. Total Professional Effort (TPE):

In the case of Faculty Personnel dedicated to research, creative activity, teaching improvement, training, and/or services in the University of Puerto Rico, Total Professional Effort (TPE) encompasses all the effort dedicated by the referred Faculty Personnel to comply with his/her



responsibilities in the University during the academic year, including the effort dedicated to teaching, research, creative activity, administration, service, clinical activities, other activities and/or a combination of these. Effort is expressed as a percentage and includes those activities for which an individual receives University compensation, including work performed on sponsored projects, whether reimbursed by a sponsor or University funded. In no case the TPE will be more than 100%.

- a. *Provided*, that in the majority of the campus/units of the University System total professional effort is defined in a term of nine (9) months. During the summer months, which is for the purpose of this policy, consist up to a three (3) month period (Regulation D), faculty can conduct full-time research or other related academic activities.
- b. *Provided, also*, that in the case of the UPR-Medical Sciences Campus, and all other units having faculty under the 12 months academic year, the total professional effort includes all effort dedicated by the referred faculty to comply with his/her responsibilities in the University within a period of twelve (12) months.
- c. *Provided further*, that in the case of the University of Puerto Rico at Carolina, the total professional effort includes all effort dedicated by the referred faculty to comply with his/her responsibilities in the University within a period of ten (10) months. During their two-month summer period Faculty can conduct full-time research work or other related academic activities.



2. Institutional Base Salary (IBS):

The Institutional Base Salary of the Faculty Personnel dedicated to academic instruction, who also conduct research, creative activity, teaching improvement, training, and/or services, is defined to be their annual permanent salary as it appears in the employment contract of the employee or subsequent letters of notice of salary increase/decrease plus any supplemental compensation of one full year or more (see Appendices 1 and 2 of Certification No. 15 (2011-2012)). This annual permanent salary constitutes the base pay for the individual's total professional effort (100%), independent if his/her time is devoted to teaching, research, administration, creative activity, service, clinical activities, other activities and/or a combination of these, and in conformity with the provisions contained in Articles 49 and 66 of the General Rules of the University of Puerto Rico.

Hence, the IBS can include as part of the faculty's salary structure remunerations received for effort devoted to administrative duties, such as chairing a department, or direction of program/centers, among others. *Provided, however, that IBS excludes one-time payments, incentives or bonuses (not involving time and effort), compensations based on work overload, non-recurrent incidental work, or summer work (i.e. summer salaries when the academic year is less than 12 months), and any income that an individual is permitted to earn outside of duties for the UPR.*

Faculty receiving full summer salary (3/9 maximum) from external sponsors for all University uncompensated summer months are ineligible for time off during that period for which they are being compensated; and due to the effort commitment to the sponsored project, payment of full summer salary by a sponsor means that the faculty member cannot engage in other activities, i.e., administrative or academic activities not



compensated by the University. Although summer salaries are not included in IBS, summer salaries are determined based on the academic base salary rate of pay, that is a maximum of three-ninths (3/9) of their regular academic-year salary (IBS). If a Faculty member has formal summer academic or administrative responsibilities, summer compensation and the corresponding effort must be adjusted proportionately. If a sponsor has a salary cap, and if the faculty member commits to full effort during a summer month, notwithstanding that the sponsor will not pay a full salary because of the cap limitation, the faculty member must still devote their full effort to the project during the month paid. Faculty having academic year appointments and receiving summer salary from a National Science Foundation grant(s) will be limited to no more than two-ninths (2/9) of their regular academic-year salary. Other sponsors may have similar policies or may have no restrictions on summer salaries or payment of a third ninth.

Additional guidelines to identify other components that can be part of the IBS and distinguish these from those components that are to be excluded are contained in the Effort Reporting Policies and Procedures at the UPR. Under all instances, IBS may not be increased as a result of replacing organizational salary funds with funds from the external sponsoring agency received for the Faculty's percent effort devoted to a specific sponsored project. Furthermore, as per OMB A-21, J.10.d. compensation that is non-effort related may not be included in the institutional base salary for determining estimates chargeable to federally sponsored awards unless prior approval has been obtained from the sponsor. According to OMB A-21 in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his regular departmental load, any charges for such work representing extra compensation above the base



salary are allowable provided that such consulting arrangements are specifically provided for in the agreement or approved in writing by the sponsoring agency.

It is additionally provided that the current definition of IBS does not modify the standards to determine salary for the purpose of Retirement System contributions or pensions, or for the payment of excess accumulated amounts of sick leave or ordinary licenses, nor the payments made in cases of separation of an employee from service due to retirement, resignation, dismissal, or death.

GUIDELINES AND PROCEDURES

The President of the University of Puerto Rico, or the person in whom he/she delegates, will issue the necessary guidelines, norms and procedures, or will amend the existing ones to implement what is established in this Policy; provided, however, that the chancellors of the institutional units can issue administrative dispositions to implement in their units what is provided in this Policy, as long as these do not contravene the provisions, the established guidelines, normative dispositions or procedures issued by the President of the University.

INTERPRETATION

The President of the University of Puerto Rico shall settle any controversy, question, or clarification regarding these regulations or situations not foreseen by them.

AMENDMENTS

These regulations may be amended by the Board of Trustees, *motu proprio*, or upon the recommendation of the President of the University of Puerto Rico.



EFFECTIVE DATE

These regulations shall become effective immediately after their approval. From that date on, Certification Number 66 (1996-1997), shall be considered void, and any policy, regulation, rule or guideline to be contrary, inconsistent or contrary to this Policy or its purposes shall be without effect.

IN WITNESS WHEREOF, issued under the seal of the University of Puerto Rico, this 19th day of September 2011.



Aida Avalo de Sánchez
Aida Avalo-Sánchez
Secretary