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Memorandum

TO: Deans, Directors and Department Heads

FROM: Andrew P. Mangels, Controller

DATE: December 14, 2005

SUBJECT: Additional Compensation on Grants and Contracts

This memo is to provide clarification of the campus policy regarding charging of Additional Compensation (Ad Comp) to grants and contracts. The charging of personnel costs to grants and contracts is governed by OMB Circular A-21 and is subject to interpretation. The Circular specifically addresses faculty salary rates allowable for academic year and periods outside the academic year. The campus is engaging a consultant to review best practices associated these situations and will issue revised policies by the start of the Spring semester. For the interim period the following policies will apply:

1. Nine Month Faculty Ad Comp charged less than or equal to 33%

Ad Comp charged to all grants and contracts not to exceed 33% of the faculty member's nine-month base salary in a given year is allowable. Ad Comp forms submitted to and approved by the Provost's Office will be approved.

2. Nine Month Faculty Ad Comp charged greater than 33%

Ad Comp charged to all grants and contracts exceeding 33% of nine-month base salary will not be approved.

3. Twelve Month Faculty (including Deans and Department Heads) directly charging Ad Comp

Ad Comp forms submitted by twelve-month Faculty will not be approved. Twelve month faculty are permitted to charge a portion of their base salary to the grant commensurate with the amount of time budgeted and awarded by the sponsor. Additional compensation arrangements can be funded on GOF or RTF sources.