UNLV Division of Research
Office of Sponsored Programs

Special Considerations for Extra Compensation from Federal Funds

**POLICY DATE:** 10/2015
**REVISION:** 2
**LAST REVIEW:** 4/2023

**BACKGROUND**

Extra-contractual compensation (ECC) from federal funds is governed by the U.S. Office of Management and Budget (OMB) and codified in the Uniform Guidance (2 CFR Chapter I, and Chapter II, Parts 200, 215, 220, 225, and 230 “Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards”). UNLV must comply with the Federal Cost Accounting Standards, and must strictly adhere to the provisions of the Uniform Guidance, which specifically addresses the payment of ECC and sets firm limits and strict requirements for the allowability of these costs.

**PURPOSE**

This policy supplement applies to all requests for ECC to be paid from sponsored projects supported directly or indirectly with federal funds. A project is considered to be federally funded if funds originate from a federal agency, funds are received through a sub-award where the prime award includes federal funding, or if the grant or contract specifies the applicability of federal regulations.

**POLICY**

Federal regulations prohibit ECC from federal funds except in special circumstances. ECC from federal funds can only be allowed when all of the following criteria are met:

1. Request does not exceed the normal rate of pay based on the individual’s institutional base salary.
2. Work is for consultation across departmental lines - or- involves significant activities performed at a separate or remote operation.
3. Work is in addition to the primary role assignments.
4. The request is specifically proposed and included in the approved budget and/or agreement with the sponsoring agency or otherwise approved in writing by an authorized representative. If not specifically and explicitly provided for in the approved proposal, budget and/or award, an official approval must be requested before any work is done on an extra contractual basis.
5. All institutional UNLV policies and procedures related to ECC must be met.

If all of the above criteria are not met, ECC cannot be allowed from federal funds.