

**Comprehensive Cancer Center University of Puerto Rico
Research Supplemental Compensation Policy**

A. PURPOSE

The purpose of this policy is to define the Research Supplemental Compensation Program for researchers managing grants and contracts in the Comprehensive Cancer Center University of Puerto Rico (CCCUPR) and describe the process for establishing and maintaining a fair and equitable program for all researchers with external funding through CCCUPR. The goals of the Research Supplemental Compensation Program include attracting and retaining more competitive and prolific researchers who will conduct projects during the CCCUPR 's calendar year, as part of their regular workload; providing a tangible reward for faculty who are active in funded research or grant-seeking efforts, thus encouraging continued participation in the funded research and grant enterprise; encouraging previously inactive faculty to conduct funded research and write grants, thus increasing the number of faculty involved in externally funded projects; and, increasing external funding to desired levels in accordance with institutional goals.

B. LEGAL BASIS

The CCCUPR Enabling Act, Act No. 230 of August 26, 2004, as amended, states that the CCCUPR is the government entity principally responsible for the implementation of public policy regarding the prevention, orientation, research and provision of clinical services and treatment related to cancer. Pursuant to these objectives, Act 230-2004 states that the CCCUPR is responsible for recruiting and compensating the necessary research personnel to foster cancer related research, as well as promoting the involvement and development of researchers dedicated to the study of the causes and treatments for cancer in Puerto Rico. Act 230-2004, Art. 5(b), (c), (j), and (q).

C. SCOPE

This policy covers all grants, contracts, subawards or cooperative agreement funded by a government agency, private industry, foundation or individual that reimburses salary compensation for the Researcher, as defined in this Policy, commensurate to the time and effort committed to the Project/Program. To be eligible for the program, a grant or contract may not include provisions for voluntary cost sharing or voluntary in-kind matching.

D. APPLICABILITY

This policy applies to all Researchers in the CCCUPR supervising or participating in a grant, contract, subaward or cooperative agreement funded by a government agency, private industry, foundation or individual that reimburses salary compensation commensurate to the time and effort committed to the Project/Program.

E. DEFINITIONS:

Research Supplemental Compensation – An amount paid to a Researcher for performing specific duties related to externally funded programs, also referred to as a differential.¹ These supplements are temporary and paid from institutional accounts. The amount of the supplement is determined according to the amount of funding approved by the Sponsor for salary support. This supplement will be paid on a monthly basis for the duration of the project. This supplement is not part of the institutional base salary of the Researcher.

Researcher – Includes the Principal Investigator, Co-Principal Investigator, Project Director, Program Director, Scientist, Investigator, Researcher, or Collaborator of a sponsored program or project, any other person with similar roles and duties, and that is either responsible for supervising, executing or participating in an externally sponsored program or project.

Institutional Base Salary (IBS) – Annual remuneration that the CCCUPR or other institution in collaborative agreement with the CCCUPR, pays to faculty Researchers for the individual's total professional effort (100%), independently of whether 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 and general rules of the CCCUPR and other institutions with collaborative agreements with the CCCUPR. IBS excludes one time payments, differentials, incentives or bonuses (not involving time and effort), additional compensation based on work overload, non-recurrent incidental work, or additional summer work (i.e. summer salaries when the academic year is less than 12 months in institutions with collaborative agreements with the CCCUPR) and any income that an individual is permitted to earn outside of their duties with the CCCUPR and other institutions in collaborative agreements with the CCCUPR.

Total Professional Effort (TPE) – Time devoted by a Researcher in which his/her effort is expressed as a percentage. This effort which includes activities for which an individual receives CCCUPR remuneration and/or work performed in other institutions with collaborative agreements with the CCCUPR includes work performed on sponsored

¹ For reference purposes only, a “differential” is generally defined in the Puerto Rico public sector as an additional and special compensation, separate from an employee's salary, that may be awarded when transitory extraordinary circumstances are present or when an employee performs the duties of another position in an interim manner, as long as the fiscal situation of the government entity allows. See Act 8-2017, Art. 3(18); see also Act 230-2004, as amended, Art. 12 (Exempting the CCCUPR from the provisions of Act 8-2017).

projects, whether reimbursed by a sponsor or CCCUPR funded. The percent of the Researcher in any case will not exceed 100%. The term for the Total Professional Effort at CCCUPR is defined as 12 calendar months or the term defined at the researcher's primary institution.

Sponsored Program/Project (SPP) – An activity supported by external sources to the CCCUPR, which is separately funded, accounted, and governed by specific terms and conditions of the sponsoring entity. Programs or Projects can be in the form of grants, contracts or cooperative agreements for research, service, training or the acquisition of equipment.

Research Supplemental Compensation Program (RSCP) – Institutional program in which the CCCUPR compensates a Researcher for specific duties related to a sponsored program or project.

Calendar Year - The term in which CCCUPR divides its annual regular workload.

F. RESPONSIBILITIES

Office of Sponsored Programs (OSP): Upon receipt of a Notice of Award (NOA) and annually upon renewal of the Project Budget, the OSP evaluates whether the Researcher qualifies for Research Supplemental Compensation. The OSP assists in preparing the Research Supplemental Compensation Request Form according to the procedures outlined in this policy and forwarding the same to the Researcher for verification and signature. Once signed, the OSP forwards the Form to the Finance Department.

Researcher: Reviews and signs the *Research Supplemental Compensation Request Form*. The form must be signed by the Principal Investigator or Program Director, as well as the Researcher's immediate supervisor or Division Director. The form must be submitted back to the Office of Sponsored Programs.

Finance Department: Certifies availability of funds and forwards Request to the Executive Director, through the OSP, for final approval or denial.

Executive Director: evaluates the Request and supporting documentation and approves or denies the supplemental compensation request.

Human Resources Department: After approval of the Request by the Executive Director, the Human Resources Department prepares the personnel transaction form, which is filed in the Researcher's personnel file.

G. POLICY

With the purpose of attracting and retaining more competitive and productive investigators to conduct research and other service-oriented projects for prevention and education at CCCUPR, as well as increasing external funding to desired levels in accordance with

institutional goals, Researchers may receive a **supplemental compensation consistent with the effort in a sponsored program or project, the salary support costs recovered sponsored programs/projects, and his/her IBS**, provided that:

- The Researcher complies with all commitments incurred with the sponsored project, the sponsoring entity, as well as complying with all institutional (CCCUPR) processes, regulations and policies.
- The grant or contract may not include provisions for voluntary cost sharing or voluntary in-kind matching. No-cost extensions are ineligible as well.
- The external sponsor must provide the maximum F&A allowed by the sponsor's formal policy.
- The sponsor that pays the corresponding part of the SBI of the Researcher must not have norms or policies that prevent the payment of the supplement to the eligible Researcher.

The Research Supplemental Compensation will correspond to 50% of the funds allocated for the salary support in the approved sponsored program budget, as evidenced in the Notice of Award or Contract, up to a maximum of 50% of his/her IBS. The remaining 50% of the funds allocated for salary support will be used by the CCCUPR to subsidize the Researcher's IBS.

The Research Supplemental Compensation will be paid on a monthly basis. These supplements are temporary and are paid commensurately to the amount of funding approved in the Notice of Award for salary support in the project. The CCCUPR reserves the right to terminate or suspend the Research Supplemental Compensation should the recipient cease to meet the eligibility criteria. It also reserves the right to recover supplements paid out on the basis of fraudulent or inaccurate information, or in error.

In the case of collaborative efforts, the Research Supplemental Compensation will be calculated from the costs recovered by CCCUPR only. When a project has multiple Researchers and the program budget does not allocate salary support funds amongst them, the Research Supplemental Compensation will be distributed according to an agreed-on division among the PI/PDs.

As a result of this Policy, the applicable federal costing principles and regulations and the terms and conditions of sponsoring entities and/or the restrictions of the funding source, the researcher's IBS may not be increased as a result of replacing organizational salary funds with funding from external entities received for the faculty's percent effort devoted to a specific sponsored project. Furthermore, unless there is prior approval by the Sponsor, charges of a Researcher's salary to an award must not exceed the proportionate share of the IBS for the period during which the Researcher worked on the award. It is also provided that the current definition of IBS does not modify the standards to determine salary for the purpose of the 401K contributions or the payment of excess accumulated amounts of ordinary licenses, nor the payments made in cases of separation of an employee from

service due to retirement, resignation, dismissal, or death. Research Supplemental Compensation is not part of the base salary of the Researcher.

The Puerto Rico Treasury Department considers any supplemental compensation and differentials paid to Researchers to be taxable income. Thus, they are subject to state tax withholding. This means that the recipient of supplemental compensation and/or differentials has an obligation to include the amount received on his/her personal tax return for the year and that CCCUPR must comply with the Puerto Rico Treasury Department reporting obligations for payors.

G. PROCEDURES:

The award of this compensation is discretionary and is contingent on availability of funds and the fiscal situation of the CCCUPR. The corresponding procedure must be followed to justify the eligibility for the Supplemental Compensation:

1. Supplement Compensation Request

The OSP shall complete the Research Supplemental Compensation Form and submit the same to the Researcher for verification and signature prior to the start of the Project and annually upon renewal of the Project Budget, with the following supporting documentation, as may be applicable:

- a. Abstract or Project Summary of the sponsored program or project conducted;
- b. Evidence of date submission of required reports according to agency's deadline;
- c. Copy of the Internal Transmittal Form signed by all parties;
- d. Copy of the approved Notice of Award or contract;
- e. Copy of approved sponsored program budget.

2. Supplemental Compensation Approval

- a. The Researcher must sign and return the Research Supplemental Compensation Request Form to the Office of Sponsored Programs.
- b. The OSP forwards the request to the Finance Department for certification of availability of funds.
- c. After certifying the funds, the Finance Department forwards the request to the Executive Director, through the OSP, for final approval or denial.
- d. The Executive Director evaluates the Request and supporting documentation and approves or denies the supplemental compensation request. The Executive Director may deny the Request based on failure to comply with the requirements established herein, as well as the fiscal situation of the CCCUPR and the availability of funds in the CCCUPR budget.
- e. The request is submitted for approval by the pertinent government entities, as may be required.

- f. After approval by the Executive Director and other government entities, as may be required, the Human Resources Department prepares the personnel transaction form, which is filed in the Researcher's personnel file.
- g. The Researcher is notified of the request outcome, via letter.
- h. The Researcher has the right to appeal such decision in writing to the Executive Director within 14 calendar days of receiving notification of the outcome of the request. The Executive Director shall evaluate the appeal and issue a decision, which shall be final and not subject to further appeal.

The Supplemental Compensation will be awarded on a prospective basis only after approval by the Executive Director and compliance with all the requirements established in this Policy. While the OSP assists the Researcher in the preparation of the required documentation to receive the Supplemental Compensation, it is the Researcher's responsibility to ensure that a complete and timely Request is submitted upon approval of the Project budget for the next applicable period in order to continue being eligible to receive the Supplemental Compensation. Approval of the Supplemental Compensation for one particular period does not guarantee that the same will be approved during subsequent periods of the same Project.

This policy is recommended by the Division of Research and Education Support on:



Elba V. Caraballo Rivera, PhD MS
Division of Research & Education Support
Director

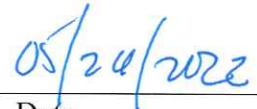


Date

This policy is approved by the Institution's Executive Director on:



Marcia Cruz Correa, MD PhD
Comprehensive Cancer Center
Executive Director



Date