

**Applies To:**

<b>TITLE:</b>	Compensation as Additional Pay to U-M Faculty for Contributions to MICHHR	<b>Guidance Number:</b>	MICHHR-OPS-OFC07
		<b>Version:</b>	1.0
<b>Approve Date:</b>	12.1.2024	<b>Effective Date:</b>	12.1.2024
<b>Review Date:</b>		<b>Revision Date:</b>	

**Purpose:** To support fair and equitable compensation to faculty members who contribute to and participate in MICHHR's clinical and translational science enterprise.

**Scope:** The preferred compensation method is through faculty effort. When faculty are compensated with effort, MICHHR allocates that effort to the federal funding source and provides a 1-year renewable faculty appointment letter outlining expectations. For faculty on a 9-month salary, this can be accomplished through providing summer salary. Compensating faculty in a form that is not effort arises in two situations: (1) When the contribution and compensation is so small (e.g., a single workshop) that the administrative burden of processing effort allocation is not worthwhile; (2) When the faculty requests to be compensated in a form that is not effort because they do not have any available effort. This policy addresses what activities are eligible for compensation and the payment amount.

**Guidance / Procedure:**

1. General Principles and Process

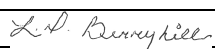
- a. MICHHR programs may each develop their own documented faculty compensation plan within the parameters defined below. There may be variation across programs, but compensation should be equitable within and across programs. Compensation plans must be included in approved program budgets at the beginning of each fiscal year and approved by MICHHR leadership.
- b. MICHHR provides compensation in the form of additional pay and adheres to university policies regarding additional pay. Compensation is not provided in the form of funds to faculty research discretionary accounts.
- c. These policies apply to funds disbursed by MICHHR programs. This policy does not apply to MICHHR funds supporting work being completed under an MOU with another unit; the unit partnering under the MOU is responsible for providing the deliverables to MICHHR as stated in the MOU but may manage the MOU funds according to their own policies.

2. Eligibility of Individuals for Compensation

- a. Faculty with MICHHR appointments with effort are not eligible for additional compensation under this policy. If the contributions are felt to exceed the deliverables outlined in the faculty appointment letter, the faculty member should negotiate an adjustment to their faculty appointment letter or deliverables. Increases in faculty effort require MICHHR Executive Director approval and amendment to the Faculty Appointment Letter.
- b. The selection of individuals for activities that will result in compensation must occur through an equitable, systematic, and documented process. Each MICHHR program may develop its own documented process, which must be approved by MICHHR leadership.
- c. Within each MICHHR program, all faculty contributing the same effort to the same activity should be offered the same compensation.

3. Eligibility of Activity for Compensation

- a. Overall principles
  - i. Only activities occurring under the auspices of MICHHR are eligible for compensation by MICHHR.
  - ii. University policy limits additional compensation to activities substantially outside the scope of the individual's position and not part of the duties of peers in similar positions. A

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MICHR contribution would be considered outside the scope of a faculty member's role if their university effort allocation does not include any institutionally-funded effort designated for purposes aligned with the activity (e.g., institutional service or teaching), or because the MICHR contribution is service to MICHR as opposed to service to the unit that funds the institutionally-funded effort. MICHR does not have this information and relies on faculty to indicate if the activity meets this criterion.

- iii. The types of activities that are eligible are aligned with the types of activities that are included in expectations of faculty appointments at MICHR with effort. If an activity would be listed as a deliverable in a faculty appointment letter, it is eligible for compensation. [Note, again, faculty with appointments already at MICHR are not eligible for additional pay.]
- b. Activities for which Compensation in the Form of Additional Pay Should be Offered if the Activity is not Already Compensated as Effort
  - i. Teaching (e.g., facilitation of training sessions or workshops) "commissioned" by MICHR about clinical and translational science, including time spent preparing teaching materials. Materials prepared under MICHR funding become the property of MICHR.
  - ii. Structured mentoring under the auspices of EMG mentoring programs for individuals or groups who are NOT affiliated with the faculty member's research lab, program, department, or division.
  - iii. Reviewing grant applications to MICHR programs.
  - iv. Reviewing award applications for MICHR awards (e.g., mentor award).
  - v. Reviewing or providing feedback on grant applications as part of MICHR's Research Development Core or associated programs. The reviewing faculty member cannot have a role (e.g., co-investigator) on the proposal.
  - vi. Creating and disseminating MICHR clinical and translational science outputs, such as manuscripts, posters, slides, etc.
  - vii. MICHR committee, council, cabinet, and board meeting attendance and preparation.
- c. Activities not Eligible for compensation
  - i. Giving a lecture on the faculty member's own research program (i.e., to summer students).
  - ii. Mentoring individuals or groups affiliated with the faculty member's research lab, program, department, or division (e.g., attending K-writing workshop as the K award primary mentor).
  - iii. Attending a MICHR-sponsored educational event as an audience member
  - iv. Travel time.
  - v. Rewards for exceptional performance are allowed by university policy. MICHR does not use funds to reward faculty for exceptional performance.
  - vi. Activities requiring less than one hour of work. The administrative burden of processing such payments exceeds the value of the compensation.

#### 4. Permissible Dollar Value of Compensation Rate

##### a. Permissible Range of Hourly Rate

- i. The minimum allowable rate is **\$25/hour**. The maximum allowable rate is **\$105/hour**.
- ii. Rationale for Rates
  - 1. The lower limit is based on a living wage for a single adult with no children in Washtenaw County using the [MIT Living Wage calculator](#), and this equates to \$22.76/hour.
  - 2. The upper limit is based on the premise that the University of Michigan is a public institution and MICHR is funded by a federal grant. The National Institutes of Health (NIH) salary cap for individuals under grant and

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cooperative agreement awards is \$221,900, effective January 1, 2024; this equates to \$106.98/hour. The large majority of researchers being paid on NIH grants make significantly less than this rate.

3. CTSA PIs serving on External Advisory Boards of other CTSAs are typically compensated **\$100/hour**.
  4. The NIH compensates subject matter experts **\$200** total for reviewing about 50 pages of science and spending 8 hours in a 1-day study section meeting.
  5. Medical School R01 Boot Camp mentors are compensated \$5,000 for mentoring a small group of junior faculty through monthly work group meetings, chalk talks, and reviews of grants over a year.
- iii. Allowable hourly compensation rate range will be re-evaluated periodically by MICHHR leadership and communicated to MICHHR faculty and staff in coordination with MICHHR finance.
- b. Limits on Total Compensation in the Form of Additional Pay
    - i. Plans to provide a total compensation **exceeding \$500** to any individual for a single activity/event require prior approval by MICHHR leadership.
    - ii. Total compensation to an individual faculty member cannot exceed **\$4000** in one year. If a faculty member's contributions exceed this amount per year, the faculty member should receive a faculty appointment letter with effort allocation. This limit was chosen because it equates to approximately 2% effort for those at the NIH cap. A limit was established because: (1) When faculty are paid in forms other than effort because they do not have effort available, it suggests that the faculty member may not have sufficient time to fully engage in MICHHR. (2) Many faculty are seeking opportunities for effort coverage, and opportunities should be made available to other faculty to ensure equitable opportunities. (3) Faculty compensation that is not effort cannot occur on federal grants.
  - c. Selecting a Rate within the Range
    - i. Each MICHHR program may use its discretion to select rates within the permissible range. MICHHR leadership may require adjustments of rates between units if significant inequities are identified. There should be no large discrepancies, especially for any one activity, for compensation for individuals doing the same work requiring the same expertise across units in MICHHR.
    - ii. The compensation rate should reflect the intensity of the activity and amount of expertise required. Expertise comes in many forms and should align with the needs of the task.
    - iii. Rates should not be increased with the goal of eliminating the impact of taxes on "take home" pay.
    - iv. Total time commitment should be estimated based on the average number of hours it would require the typical faculty member to complete the activity. However, in cases where a disability necessitates extended time, additional compensation to account for the extended time necessary to complete the activity may be provided.
    - v. The compensation rate can differ from the faculty member's salary rate.
    - vi. Virtual engagement should be compensated at a comparable rate to in-person engagement.

## 5. Process

- a. The planned compensation should be communicated to the faculty member prior to the activity with clear documentation of the deliverables (e.g., providing written reviews of 3 grants by x deadline).
- b. Compensation rates may be negotiated with faculty members within the permissible range and should maintain equity.
- c. Per university policy, the faculty member's home unit is automatically added to each PAR to approve the compensation plan.

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- d. When communicating the compensation plan, faculty should be told, "University policy permits additional compensation when the activity is substantially outside the scope of the faculty member's institutionally funded effort (e.g., for teaching or service). If [MICHR contribution] falls outside of your existing certified effort, MICHR will compensate you at [planned compensation rate]. Per standard university process, your home unit will approve the compensation plan. Are you eligible for and do you wish to receive this additional compensation? Funds that faculty decline are used for MICHR programming to support the university's research mission."
- e. Compensation should be provided promptly as university processes allow.

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