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Subject: Supplemental Pay and Overtime

ORGS Office: Office of Sponsored Programs

CMU Partner Office (if applicable): N/A

Originator & Original Date: Melinda Brakenberry & Sarah Hall 2/12/2025

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Purpose:

To establish guidelines and best practices for the charging of supplemental pay to sponsored projects.

Key Definitions:

Institutional Base Salary: The annual compensation Central Michigan University (CMU) pays for an employee's annual appointment, whether that individual's time is spent on research, instruction, administration, or other activities. This includes administrative supplements, but does not include overload, bonuses, honoraria, overtime, or other additional pay and compensation. For medical faculty and staff, with dual appointments, this may include, as appropriate, compensation from both Central Michigan University and an approved practice plan.

Supplemental Pay: Extra compensation, exclusive of overtime, received over and above the institutional base salary. This includes payments for services outside the normal scope of employment, including but not limited to academic overload. This type of pay most often applies to salaried individuals.

Overtime Pay: Hours paid in excess of 40 hours in one week, unless defined otherwise in a collective bargaining agreement or employee handbook. Overtime pay is calculated at the rate of one and one-half (1.5) hours for each hour of overtime. This type of pay most often applies to individuals paid at an hourly rate.

Departments: The units in a hierarchy that together create a college or a division of the university.

Narrative/Details:

Supplemental pay and overtime are typically unallowable on sponsored projects without prior express approval from the sponsor. Such prior approval requests should be made by a member of the Post Award team in the Office of Sponsored Programs.

In order to charge supplemental pay or overtime to sponsored project accounts, the following conditions, as outlined in [2 CFR 200](#), must be met.

The work performed must align with all of the following criteria:

- Cross departmental lines,
- Be outside the scope of the employee's regular appointment,
- Be short term in nature, and
- Be provided for in the sponsored agreement or approved in writing by the sponsoring agency.

In addition, prior to seeking sponsor approval, the individual's supervisor(s) must provide both confirmation that they agree the criteria is met and approval of supplemental pay for the work to be performed.

Supplemental pay will be processed at the employee's institutional base salary (IBS) rate for the additional work performed. All salary expensed to an award must be aligned with CMU's salary structures and pay ranges. Overtime pay will be processed at the rate of one and one-half hours for each hour of overtime in alignment with CMU's wage structures and pay ranges.

Remedies

Charges for supplemental pay or overtime that are not approved per this policy will be considered unallowable and will be moved to a non-sponsored departmental account.

Exceptions

Exceptions for this policy may be granted by the Vice President for Research and Innovation in alignment with other applicable university, federal, state, and sponsor regulations and any other necessary approvals.