
POLICY 408 GRANTS AND EXTERNAL FUNDING

From time-to-time Vermont State Colleges policies must be updated to comport with state and federal regulations. One such area that requires regular updates is the policy related to Grants and External Funding. Recent changes to federal regulations require updates to this important policy.

The redlined policy includes the following changes:

Section III.C.7 on Supplanting

- We do not currently have anything in our written grant policies about supplanting, which would be if grant funding is used to pay for something that was previously institutionally funded.
- It is a question that state agencies ask when we fill out grant risk assessment questionnaires, and we've always had to say that we didn't have a policy on supplanting, hence the addition of this section.

Section III.K. on Externally Funding Equipment

- The revised Uniform Guidance, which went into effect in October 2024, raised the equipment threshold to \$10,000, so the policy reflects this change. (2CFR 200.439)

Section III.N on Use of External Funds for Additional Compensation

- We do not currently have anything in our written grant policies that clarifies when employees can receive grant pay outside their normal contracted workload.
- To make sure that this is handled consistently and in compliance with Uniform Guidance 2CFR 200.430, the policy now clearly spells out the three types of additional compensation and the conditions for when additional grant pay is allowable.
- Extra service pay – this would be for additional assignments (ie, overload or stipend) beyond the typical workload for both faculty and staff. It must be allowed by the sponsor, the rate of pay must be based on the employee's annual contracted salary, and the work must be demonstrated to be beyond a person's contract.
- Summer pay – this is applicable to faculty only; pay must be based on the employee's annual contracted salary.
- Incidental activities – this is for infrequent, short-term, and irregular activities, such as faculty being given a stipend to attend a grant-funded workshop. In these cases, the

faculty could all receive the same amount, and it would not be based on their annual contracted salary rate.

Section III.O on Sabbatical Leave

- We do not currently have anything in our written grant policies that stipulates how much faculty can receive in supplemental grant pay while on sabbatical.
- To align with Uniform Guidance 2CFR, the policy now clarifies that grant pay in combination with sabbatical pay can't exceed the faculty member's regular salary.