



**MEMORANDUM**

**TO:** Vice Presidents, Deans, Directors and Department Heads and  
Principal Investigators

**FROM:** Kacey Strickland, Executive Director for Research Administration

**DATE:** November 20, 2024

**SUBJECT:** Supplemental Salary Payment from Sponsored Projects  
(Updated from Memo dated September 17, 2015)

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Extra compensation payments from restricted funds (grants, contracts, etc.) are subject to strict regulations. According to Uniform Guidance § 2 CFR 200.430(i)(4), additional compensation for work outside an individual's regular responsibilities—such as consulting across departmental lines or involving separate or remote operations—is only allowable in unusual cases. Such compensation above an individual's Institutional Base Salary (IBS), salary documented in Banner, is permitted only if it is explicitly included in the Federal award budget or has received prior written approval from the Federal awarding agency.

As Uniform Guidance sets the standard for institutions receiving Federal funding, and Generally Accepted Accounting Principles require consistent treatment in similar circumstances, this guidance generally applies to all sponsored agreements.

The Office of Sponsored Projects (OSP) strongly recommends working closely with your designated OSP Administrator when preparing proposal budgets. Requests for supplemental salary must be clearly outlined and thoroughly justified in the budget narrative. Documented approval from the sponsor is required before charging supplemental salary to a sponsored agreement.

Additionally, OP 65.04, Securing and Paying for Consultants and Independent Contractors, prohibits any Mississippi State University employee from acting as both an employee and an independent contractor for the institution. All payments for MSU employees for additional compensation should be processed through a Request for Additional Pay (RAP) with the appropriate approvals. Additional compensation must also meet the requirements outlined in OP 60.323, Staff Compensation Program.

If you have any questions or concerns, please contact the Office of Sponsored Projects.