



# Compensation Above Salary Limits For Work-For-Others Agreements

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National Laboratory

Financial Policies and Procedures

Part I

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## Summary

The purpose of this policy is to provide guidelines for accounting for the cost of compensation above the allowable limits for Work-For-Others (WFO) Agreements.

## Policy

Compensation for researchers working on WFO Agreements may be subject to limitations by federal law or provisions of specific WFO agreements. The cost of salaries and wages in excess of the limitations are unallowable under [DOE Contract 31](#) and must be covered by bestowments or other non-federal funds.

It is the policy of the Laboratory to assure that compensation costs applicable to any limitation prescribed by a WFO agreement are identified and excluded from the WFO agreement, and any related DOE billings, claims, or proposals.

## Procedures

- The Department or Division using researchers with salaries that exceed compensation limits must identify the funding source for the excess *prior* to commencing work on the funded research.

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- An email or memo will be submitted to General Accounting requesting that a companion project to the WFO agreement be created, in order to accumulate the cost of the researchers' excess compensation.
- The Department or Division will evaluate the compensation limitations specified by the WFO agreement and identify any excess.
- A resource adjustment will be made to transfer any excess compensation from the WFO project to the companion project prior to processing the grant billings and requests for payment.
- The Department or Division will determine the frequency (monthly or quarterly) for invoicing the non-federal funding source.
- For each period that excess compensation is accumulated, a [Request for Preparation of Miscellaneous Invoice Form](#) will be submitted to Accounts Receivable that includes:
  - Identification of the WFO agreement and related compensation limitations
  - Identification of the non-federal or bestowment fund
  - Companion project ID established to accumulate the cost of the researchers' excess compensation
  - Required approvals
  - Billing period beginning and end dates
  - Total amount of accumulated excess compensation to be billed for the period
- Accounts Receivable will prepare a miscellaneous invoice to the non-federal funding source when the completed [Request for Preparation of Miscellaneous Invoice Form](#) is received.
- A credit to the companion project will be recorded for the amount of each invoice to the non-federal funding source, in order to off-set excess compensation accumulated in the companion project. The project should have a net zero balance. If the balance is not zero, any difference will be identified and accounted for by the owner of the companion project.

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### Documentation

The following are examples of appropriate supporting documentation for resource adjustments for excess compensation for WFO Agreements:

- [Request for Preparation of Miscellaneous Invoice Form](#)
- WFO agreement provision(s) explaining the compensation limitations
- Description of the funds to be used to cover any excess compensation and related approval to use those funds
- The WFO agreement project and companion project ID for which the excess costs will be charged

### Authority

- [DOE Contract 31](#)

### References

- NIH Guide: [Salary Limitation on Grants, Cooperative Agreements, and Contracts](#)

### Contacts

- Manager, General Accounting
- Principal Accountant, General Accounting

### Glossary

- **Bestowment funds:** Funds provided to a specific Department, Division or program by grant, donation, or gift from public or private foundations, corporations, or individuals for the purpose of furthering research, development, and/or education.
- **Work-For-Others (WFO):** Work for non-DOE entities performed by DOE/contractor personnel and/or utilize DOE facilities and are not directly funded by DOE appropriations. Work is in accordance with DOE Order 481.1C.

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### Related Documents

- [Request for Preparation of Miscellaneous Invoice Form](#)