

# North Carolina A&T State University

## Policy Statement

### SUPPLEMENTAL COMPENSATION FOR PROFESSIONAL SERVICES TO THE UNIVERSITY

#### I. Purpose

The purpose of this policy is to provide uniform and consistent standards for awarding supplemental assignments and pay to North Carolina A&T State University faculty and staff.

#### II. Scope

This Policy applies to additional compensation paid to North Carolina A&T State University faculty and staff through the University Payroll Office. This Policy is not intended to modify any of the existing policies or procedures governing the administration of University salaries or payments for external consulting (see Policy on External Professional Activities for Pay). No employment contract in effect on the adoption of these guidelines shall be abrogated.

#### III. General Policy

For a full-time member of the faculty or EPA non-faculty, the salary approved by the Chancellor or Board of Governors is the base salary to be paid during the contract period. The period of appointment includes all formal holidays and breaks during which no classes are scheduled. No supplemental compensation may be paid for University duties that are generally related to the position to which the individual is appointed during the contract period. All employee compensation shall be paid through the University Payroll office.

State Policy prohibits the use of vacation leave to enable supplemental payment for work performed for the employee's home university during the employee's regular working hours. That is, the University may NOT compensate an employee twice for the same hour: once for vacation and again for work. In order to be paid, extra work must be performed *outside* of regular working hours.

Upon appropriate approvals from the supervisor and Human Resources, individuals with appointments at that are less than full-time (e.g. .75 FTE) during an academic or fiscal year can increase their commitment employment obligations up to full-time (e.g. 1.0 FTE) with supplemental compensation beyond their base salary.

Special Pay Supplemental compensation has limitations based on time, *not salary*. A maximum commitment of time of 120% is allowed under certain circumstances as provided below, as long as these extra services do not cause a conflict of commitment with the primary employment position of the employee.

In the case of a federal grant or contract, the rate of pay for supplemental compensation outside the contract period must be the same as the base rate of pay for the contracted assignment. This Policy is intended to comply with applicable federal and state restrictions on level of effort.

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#### IV. Eligibility for Supplemental Compensation

The UNC Board of Governors has established categories of employment for Senior Academic and Administrative Officers (SAAO) and for other exempt employees (see UNC Policy Manual: 300.1.1). Eligibility for supplemental compensation for each of these categories is outlined below.

##### Tier I Senior Academic and Administrative Officers

No SAAO may be paid, in addition to his or her salary, **for any services rendered** to any institution-related foundation, endowment, or other entity that (a) was established by officers of the University, (b) is controlled by the University, or (c) is tax-exempt based on being a support organization for the University. In essence, no supplemental compensation may be paid to Tier I officers at any time for any reason.

The University Tier I SAAOs include the chancellor, provost, vice chancellors, deans, legal counsel, executive assistant to the chancellor, and any other positions so designated by the Board of Governors; therefore, Appointment and salary administration authority for these positions is the responsibility of the Board of Governors, or the Board of Trustees upon delegation.

##### Tier II Senior Academic and Administrative Officers

Salary supplements to employees in this group may be considered only under exceptional circumstances, and must have the recommendation of the provost or the division vice chancellor and the prior approval of the chancellor. Teaching assignments for this group are generally incorporated in the employee's employment agreement and base compensation.

Tier II SAAOs include assistant and associate vice chancellors, assistant and associate deans, assistants to the chancellor, designated directors of principal academic and administrative units, and any other positions so designated by the Board of Governors. Tier II SAAOs may receive supplemental compensation only for work which is *occasional, sporadic, unrelated to primary job duties, performed outside of regular working hours, and limited in scope.*

##### Faculty

Faculty whose primary appointment is for the academic year are presumed to be engaged to the extent necessary in fulfilling teaching, research, and service obligations inherent in their academic appointments. For academic or administrative duties assigned *beyond* the scope of their academic appointments, faculty may receive supplemental compensation, with appropriate prior approvals by the respective dean and provost – whether such duties are performed within the home department or for another department on campus.

## EPA and SPA Staff

Guidelines for supplemental compensation vary based on the time and location of the work. The following categories delineate when and where extra work resulting in a salary supplement may be authorized for this group of employees.

**Additional Duties in Home Department:** All duties assigned to this group of employees by their home departments are presumed to be encompassed within their regular appointments. Consequently, ***no supplemental compensation may be authorized for additional work performed for or on behalf of the home department.*** (Examples include special projects, task forces, campus committee assignments, etc.)

**Additional Duties in Other Departments:** This group of employees may receive supplemental compensation for duties on campus only when such duties are occasional, sporadic, unrelated to primary job duties, and performed outside of regular working hours. ***In any of these situations, P***prior approval for such assignments must be given by the supervisor of the employee's primary job. (For instance, an employee in this group teaches a night class for Academic Affairs.)

**Part-Time Employees:** When an appointment is for less than full-time, the employee remains available to contract with other departments in the University for up to full-time through additional assignments and remains eligible to receive supplemental compensation. For additional assignments in the *home department*, a part-time employee may receive compensatory time to be scheduled off at a later date, but will NOT receive supplemental compensation. For on-going needs, the appropriate course of action for continuing additional work in the home department would be to increase the FTE of the primary assignment and thereby increase the base salary. (Prior approval for such assignments must be given by the supervisor of the employee's primary job.)

**Part-Year Employees:** When an appointment is for less than 12 months, the employee remains available to contract with the home department or other departments for additional work and to receive supplemental compensation during the months which are not incorporated in the employee's base contract. (Approval from the supervisor of the employee's primary job is generally not required when work is performed during the months in which the employee is not working in his/her primary job.)

## V. Payments

### A. Additional Teaching

#### Overload Instruction

Faculty should generally not be paid extra for teaching credit courses in addition to their normal course load. Instead, other arrangements may be made, such as a corresponding course reduction in the following semester. Under extraordinary circumstances (e.g. coverage for another faculty member on emergency medical leave) and with approval of the chair and dean, overload pay may be approved for faculty that agree to teach additional credit courses beyond the departmental standard load, if there are no external candidates available to hire and if it does not cause a conflict of commitment with the other duties of the faculty member.

#### Continuing Studies Program

Faculty may be approved by their chair and dean for supplemental compensation for teaching non-credit programs offered through the Continuing Studies Program as long as such work does not cause a conflict of commitment with their regular job duties. Compensation rates are generally dependent upon the generation of program revenue.

#### Summer Sessions

Faculty members, whose summer employment is teaching Summer Sessions only, will receive compensation according to the Summer Sessions Salary Schedule. For some faculty, the Summer Sessions salary may exceed one-ninth of their annualized salary.

Due to government restrictions on the level of effort, a 9-month faculty member who participates in government-sponsored research outside the contract period can teach summer sessions as long as the research effort and supplemental compensation from the sponsor does not exceed 3/9ths of the base salary.

#### EPA or SPA Staff

Non-teaching staff, both EPA and SPA, whose duties are tied to the normal workweek schedule of the University, may be allowed, subject to advance approval by the appropriate supervisor, to take on a University teaching responsibility for supplemental compensation. Additional activities for pay must not interfere with the staff member's normal duties, must be outside the scope of the employee's normal job responsibilities, and must be carried out at times other than during the normal working hours established for the full-time employment responsibility of that staff member.

In extraordinary circumstances, when justified, additional activities for pay may take place during the course of the employee's normal working hours. Such exceptions must be

approved in advance by the appropriate dean or vice chancellor, and be submitted in advance for review by Human Resources (for SPA) and Office of EPA Salary Administration and Personnel (for EPA).

Paid leave may not be used to account for the time the employee is working the additional assignment, but Leave Without Pay (LWOP) is an option if approved by the supervisor. If LWOP is not used to account for the time away from normal working assignments, an alternate work schedule must be approved and forwarded with the appropriate assignment documentation (PD-105) for inclusion in the employee's official personnel record (EPA to Office of EPA Salary Administration and Personnel, SPA to Human Resources). Under no circumstances should supplemental compensation for an EPA or SPA staff member be extended or considered as a bonus for performance. The appropriate dean or vice chancellor must review and recertify such arrangements annually, insuring concurrence and coordination with the appropriate supervisor.

#### B. Administrative Assignments

Some additional assignments do not extend beyond a few months and are temporary or time-limited in nature; they are eligible for supplemental compensation. Generally, academic assignments are for one semester, or a brief summer period. Examples include assignments of one year or less as coordinators of undergraduate, graduate, or special programs. Interim appointments to a higher level of administrative responsibility, such as interim department chair, dean or director, may also result in supplemental compensation.

If payment for any of these administrative services is for a period exceeding one year, the duties should be assigned to the employee's primary job and the base salary should be adjusted to reflect the change in scope.

#### C. Seminars, Workshops, and Training (other than through the Office of Continuing Studies)

Approval may be granted for supplemental compensation during the contract period for conducting non-credit short courses or presenting special lectures, seminars, workshops and conferences for continuing professional education. These services must be outside the home department to qualify for supplemental compensation and require advanced review and approval by the immediate supervisor. The justification for these payments must address how the compensation amount was determined.

#### D. One-Time Special Payments

In some cases, a one-time payment may be allowed. An example that might be approved could be a one-time payment for developing a new distance education program during the contract period or outside the contract period. Another example could be a payment to nine-month faculty member for participating in a Summer Institute on diversity or other atypical activities that are not part of the job duties of the employee and may be performed outside of their normal working hours. In no case shall a one-time supplemental payment be paid as or construed to be a bonus for performance. Service activities (e.g. serving on a

search or review committee) are viewed as routine employment expectations; therefore, faculty and staff should not expect supplemental compensation for such activities.

One-time payments must be reviewed and approved in advance by the department head and dean or unit head and appropriate vice chancellor. A memo of justification for these payments should accompany the Internal Salary Authorization Form (PD-105) and must address how the compensation amount was determined. The memo of justification must also clearly identify the activities covered, the relationship of the activities to normal job responsibilities, and the expected duration of the activities.

SPA employees are not eligible for one-time pay arrangements under this section. SPA employees who are eligible for overtime under FLSA regulations may not be given supplemental compensation in lieu of overtime. In cases of SPA employees who are not subject to overtime, the department heads may, at its discretion, consider recognizing the extra time worked on an hour-for-hour basis. In cases where the department head has questions concerning the relationship of work to be performed to an employee's normal job responsibilities, the department head should consult with Human Resources for guidance prior to allowing the employee to enter into such work assignment.

#### E. Contracts and Grants

Contracts and grants have special provisions. In general, Federal grants do not allow for payment of supplemental salary. Based on how the grant was approved, all or a portion of the employee's regular salary may be paid by a grant. Supplemental compensation is generally prohibited during the employee's regular appointment period. Employees who are receiving any part of their compensation from a federal grant or other sponsored program should verify their eligibility to receive supplemental pay with the accountant in the Office of Contracts and Grants before accepting additional assignments for pay.

Government sponsors do not permit compensation beyond the base rate of pay during the contract period. As a general rule, faculty members involved in government-funded research during the contract period should have their other assigned responsibilities reduced through a "released time" arrangement.

For nine-month faculty, supplemental compensation can be earned outside the contract period for University-sponsored research that is externally funded by a governmental agency as approved by the department chair and dean. The Offices of EPA Salary Administration and Personnel and Contracts and Grants will jointly approve/disapprove requests upon receipt when federal regulations are applicable. ***Under no circumstances should faculty summer employment compensation exceed one-third of the faculty member's nine-month salary base. The three-month summer employment period will be designated each year based on the academic calendar.***

For non-government sponsors, supplemental compensation can be paid during the contract period if permitted by the sponsor and approved by the chair and dean. These payments

must be processed as indicated in Section VI below; however, an explanation of the source of the non-governmental funds must be included.

#### F. Dual Employment

Dual employment occurs when an employee is requested to do work for pay for another university in the UNC system or for a NC state agency. Before agreeing to perform extra work, the employee must obtain supervisory permission in order to ascertain whether the obligation will interfere with the job duties and commitments of the primary position. The employee must either perform the work outside of regular working hours, *or in the case of working for another state agency, may take vacation leave from his primary job.* If approved, all payments to the employee must be sent (along with Form CP-30) from the borrowing agency to Human Resources and paid through the University payroll. The entire Office of State Personnel policy on dual employment can be accessed at [www.osp.state.nc.us/manuals/man3.html](http://www.osp.state.nc.us/manuals/man3.html).

### VI. Procedures for Payment of Supplemental Compensation

#### Supervisory/Managerial Responsibility

It is the responsibility of the hiring manager to submit a written request stating the justification for the work to be performed and the funding required to his/her dean or vice chancellor PRIOR to offering the work to an individual. The request must clearly identify the activities covered, the relationship of the activities to normal job responsibilities, the expected duration, and the basis for determining the one-time or periodic supplemental payments. The request must be made to the appropriate administrator (provost, vice chancellor, dean, department head, principal investigator, etc.) The approved request must be submitted to Human Resources (for SPA) or EPA Salary Administration and Personnel (for EPA), along with the PD-105 for ***final review and processing***.

It is also the responsibility of chairs, deans, directors, and other unit leaders to review the overall work load of the employee/faculty member who is taking on additional work to ensure that this assignment does not interfere with or affect the quality of the employee's or faculty member's primary job. Supervisors may withhold approval when they believe the extra assignment would adversely affect the primary job.

#### Timing of Payments

The PD-105 will indicate the timing of payments. As justifications are reviewed and approved, an individual's total time commitments on institutional, as well as external professional activities (e.g., outside consulting), will be considered.



### Duration

No work assignment that results in supplemental compensation may exceed one year. However, any additional work assignment may be extended or renewed, on a case-by-case basis, with the approval of the provost and/or vice chancellor.

### Approvals

Requests for payments of supplemental compensation must be approved by the department chair and dean of the faculty member or the Unit Head and the Vice Chancellor of the staff member for whom the payments are requested. These approvals are indicated by their signature on the PD-105. A copy of the approved PD-105, along with the approved justification, shall be retained in the employee's personnel files.

All documentation must be reviewed by Human Resources or EPA Salary Administration and Personnel for compliance reasons **prior to the commencement of paid activities**. A copy of the approved PD-105, along with the approved justification and any work schedule change, shall be retained in the employee's personnel files.

The employee receiving supplemental compensation may be in a different department/unit from the requestor of the work or assignment. In this case, the employee's supervisor and the requestor must sign the PD-105 to insure consideration of such issues as work-load management.

### Method of Payment and Deductions

Payments under this policy will be processed as compensation to employees, and not as payments to independent contractors, through the Payroll Department. Federal and state taxes and other appropriate deductions will be withheld.

## Appendix A

### Definitions

For the purposes of this Policy, the following definitions apply:

**Contract Period.** For nine-month faculty the contract period is generally August 1<sup>02</sup> through May 1<sup>02</sup>. The specific dates of the Contract Period in any one case are based on the faculty member's employment contract.

**Outside the Contract Period.** For nine-month faculty this period is generally from May 12 through August 12. The specific dates of the time Outside the Contract Period in any one case are based on the faculty member's employment contract.

**Base Salary.** The annual permanent salary of the employee as it appears in the employment contract of the employee or subsequent letters of notice of salary increase/decrease. The Base Salary does not include temporary payments for a period of less than one year. Increases for administrative assignments that will exceed one year must be included in the Base Salary.

**Special Pay.** Incidental payments that are infrequent, sporadic and not of a continuing nature that are beyond the **Base Salary** paid to faculty and staff for activities of short duration. These activities include, but are not limited to, activities such as: conducting seminars, workshops, and training in other than the home department; teaching continuing education courses; and other interim and temporary assignments of less than one year.

**Summer Employment Compensation.** Payments for sponsored programs to 9, 10 or 11 month faculty Outside the Contract Period.

**Supplemental Compensation.** All extra compensation paid to faculty and staff through the University Payroll Office, including both Special Pay and Summer Employment.