

## FAYETTEVILLE STATE UNIVERSITY

### ADDITIONAL COMPENSATION FOR PROFESSIONAL SERVICES TO FAYETTEVILLE STATE UNIVERSITY

<b>Authority:</b>	Issued by the Chancellor. Changes or exceptions to administrative policies issued by the Chancellor may only be made by the Chancellor.
<b>Category:</b>	Employment – General
<b>Applies to:</b>	● Administrators      ● Faculty      ● Staff
<b>History:</b>	Approved – January 6, 2011
<b>Related Policies:</b>	<ul style="list-style-type: none"> <li>● <i>Conflicts of Interest and Commitment and External Professional Activities for Pay</i> [FSU Policy]</li> <li>● <i>Regulations on External Professional Activities for Pay by Faculty and Non-faculty EPA Employees</i> [UNC Policy #300.2.2.1 [R]]</li> <li>● <i>Regulations for Senior Academic and Administrative Officers on External Professional Activities for Pay and Honoraria</i> [UNC Policy #300.2.2.2[R]]</li> <li>● <i>Senior Academic and Administrative Officers</i> [UNC Policy Manual #300.1.1]</li> <li>● <i>Dual Employment</i> [Section 3, Office of State Personnel Policies]</li> <li>● <i>Cost Principles for Educational Institutions</i> [Office of Management and Budget Circular A-21]</li> </ul>
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#### I. PURPOSE

This purpose of the *Additional Compensation for Professional Services to Fayetteville State University* policy (“*Policy*”) is to ensure consistency in the payment of additional compensation to Fayetteville State University (“*University*”) faculty and staff for professional services provided to the University. 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 University’s *Policy on External Professional Activities for Pay*).

## II. DEFINITIONS

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

### A. Additional Compensation

All extra compensation paid to faculty and staff through the University Payroll Office including both *Incidental Compensation* and *Supplemental Compensation*.

### B. Base Salary

*Base Salary* is defined as the annual permanent salary of an employee as it appears in the employment contract/letter of the employee or subsequent letters of notice of salary increase/decrease. The *Base Salary* includes any supplemental administrative stipends of one year or more, but does not include temporary payments from one-time funds for a period of less than one year.

### C. Contract Period

For nine-month faculty, the *Contract Period* is the specific dates of the faculty member's employment contract, generally between mid-August and mid-May.

### D. Incidental Compensation

*Incidental Compensation* includes special payments beyond the *Base Salary* paid to faculty and staff from a temporary source of funds for activities of short duration including, but not limited to, activities such as conducting seminars, workshops, and training *in other than the home department*; teaching continuing education courses; dual employment payments from other state agencies; internal grant stipends from the Office of the Provost; and other interim and temporary assignments of less than one year.

### E. Outside the Contract Period

For nine-month faculty, *Outside the Contract Period* includes the dates outside of the normal nine months *Contract Period*, generally between mid-May and mid August.

### F. Supplemental Compensation

*Supplemental Compensation* includes *government-sponsored research payments* to 9-month faculty *Outside the Contract Period* and *permanent stipends* (more than one year) for assuming administrative assignments such as academic department chairs.

## III. ADDITIONAL COMPENSATION

For a full-time member of the faculty or EPA staff, the salary approved by the Chancellor, Board of Trustees, or UNC Board of Governors is the *Base Salary* to be paid during the *Contract Period*. *No Additional Compensation may be paid for University duties that are generally related to the position to which the individual is appointed during the Contract Period*. No Senior Academic and Administrative Officer 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.

Upon appropriate approvals, employees with appointments at less than full-time (e.g. .75 FTE) during an academic or fiscal year may have their commitments increased up to full-time (e.g. 1.0 FTE) with *Additional Compensation* beyond their *Base Salary*.

*Incidental 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 the extra services do not cause a conflict of commitment with the primary employment position of the employee.

This *Policy* is intended to comply with applicable federal and state restrictions on level of effort. Federal restrictions permit up to 3/9 effort (see Attachment A ) *Outside the Contract Period* and no more than 100% of total compensated effort during the *Contracted Period*.

Attachment A provides examples of *Additional Compensation* and the limits that apply.

#### IV. INCIDENTAL COMPENSATION (PAYMENTS FROM INTERNAL FUNDS)

##### A. Internal Grant Stipends

Faculty members may receive *Additional Compensation* in the form of a one-time stipend for internal research and curriculum development projects. Faculty development stipends are usually paid on a one-time basis and maximum amounts of the stipends may be set by the Provost and Vice Chancellor for Academic Affairs (“Provost”).

##### B. Seminars, Workshops, and Training (other than through the Office of Extended Learning)

Employees may be approved for *Additional Compensation* during the *Contract Period* for conducting non-credit short courses or presenting special lectures, seminars, workshops and conferences for continuing professional education other than those offered through the Office of Extended Learning. These services must be outside the home department to qualify for *Additional Compensation* and require advanced review and approval by the appropriate supervisor. The justification for these payments must address how the compensation amount was determined.

##### C. Administrative Assignments

Faculty members and EPA staff occasionally assume administrative duties for which *Additional Compensation*, usually in the form of a temporary stipend, is appropriate. Examples include assignments such as interim appointments to a higher level of administrative responsibility, such as department chair, dean or director. If payment for any of these administrative services is for a period exceeding one year, then this stipend will be considered *Supplemental Compensation* and part of the *Base Salary*.

**D. One-Time Special Payments**

A special (one-time) payment may be allowed to faculty or EPA staff. An example may 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 a 9-month faculty member for participating in a summer institute or other atypical activities that are not part of the job duties of the employee and may be performed outside of the employee's normal working hours. Service activities (e.g. serving on a search or review committee) are viewed as routine employment expectations; therefore, faculty and EPA staff employees should not expect *Additional Compensation* for such activities. In no case shall a one-time supplemental payment be paid as or construed to be a bonus for performance.

One-time special payments shall 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 be included with the request 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. SPA employees who are eligible for overtime under FLSA regulations may not be given supplemental pay in lieu of overtime.

**E. Dual Employment**

Dual employment occurs when a University employee agrees to perform services for another state agency on a part-time or contractual basis. Approval must be obtained from the supervisor of the primary employer before the service is provided in order to ascertain whether the obligation will interfere with the job duties and commitments of the primary position. If approved, all payments to the employee must be sent from the borrowing agency to the University and paid through the University payroll. The Office of State Personnel is responsible for the State's policy on dual employment.

**V. PAYMENTS FOR TEACHING OR ADDITIONAL TEACHING**

**A. 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 department chair and dean, overload pay may be approved for faculty who agree to teach additional credit courses beyond the departmental standard load, if there are no external candidates available to employ and if it does not cause a conflict of commitment with the other duties of the faculty member. There is a one (1) course per semester limit on this type of payment.

**B. Teaching Continuing Education Programs**

Faculty may be approved by their department chair and dean for *Additional Compensation* for teaching non-credit programs offered through the Office of Extended Learning as long as such work does not cause a conflict of commitment with their regular job duties. Compensation rates are generally dependent on generation of program revenue.

**C. Summer School Instruction**

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 his/her research effort and *Supplemental Compensation* from the sponsor is less than 3/9ths of his/her salary base. In general, the federal government permits faculty members to earn up to 133% of *Base Salary* in a twelve month period, including summer teaching, summer research, and administrative stipends, if the faculty member is being paid with federal funds.

**D. Teaching by SPA or EPA Staff**

Non-teaching staff, both EPA and SPA, whose duties are tied to the normal workweek schedule of the University, may be allowed, in extraordinary circumstances and subject to advance approval by the unit head, to take on a University teaching responsibility for *Additional Compensation*, assuming the employee possesses special skills *not readily available in the marketplace*. A staff member's primary employment responsibilities take priority over any additional part-time teaching assignments. The teaching responsibility must be carried out at times other than during the normal working hours established for full-time employment responsibility.

**VI. PAYMENTS FROM EXTERNAL FUNDS**

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, dean, and the Office of Sponsored Programs. The maximum payment is 3/9ths of the *Base Salary* or 100% of time.

Government sponsors do not permit compensation beyond the base rate of pay during the *Contract Period*; thus, no faculty member during the *Contract Period* can receive *Supplemental Compensation* over and above the faculty member's *Base Salary*. All salary charged to a grant or contract during the academic year shall replace the corresponding amount that would be paid to the faculty member from the University's operating budget.

For non-government sponsors, *Additional Compensation* can be paid during the *Contract Period* if permitted by the sponsor and approved by the chair and dean.

**VII. ADDITIONAL COMPENSATION FOR EPA AND SPA STAFF**

For non-teaching EPA and SPA staff, 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. Under no circumstances should *Additional Compensation* for an EPA or SPA staff member be extended or considered as a bonus for performance.

## VIII. PROCEDURES FOR PAYMENT OF ADDITIONAL COMPENSATION

### A. Approval of Requests

Payments for *Additional Compensation* should be requested, in writing, in advance of the initiation of any work. The department requiring the effort should initiate the request stating the nature and duration of the work to be performed. The duration of the work and compensation rates, shall be resolved prior to the beginning of any work to be performed by the employee. The written submission shall indicate the number of payments. As proposals are reviewed and approved, an individual's total time commitments to the University as well as external professional activities (e.g., outside consulting) shall be considered.

All one-time special payments require a memo of justification and must address how the compensation amount was determined. (See Section IV.D., One-Time Special Payments, above).

### B. Duration

No work assignment that results in *Additional Compensation* may exceed one year; provided, however, that any such additional work assignment may be extended or renewed on a case-by-case basis.

### C. Approvals

Requests for payments of *Additional 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 the respective administrators' signature on written request for *Additional Compensation*. *Additional Compensation* in the form of stipends for internal research and curriculum development activities (administered by the Office of the Provost) are shall be authorized and approved by the Provost.

For SPA employees, all documentation must be reviewed by Human Resources prior to the commencement of paid activities, and such documentation shall be retained in the employee's personnel files.

If the employee who is to receive *Additional Compensation* is in a different department/unit from the requestor of the work or assignment, the supervisor of the employee shall be consulted and must approve the additional work or assignment

### D. Method of Payment and Deductions

Payment of *Additional Compensation* shall be processed as compensation to employees (and not as payments to independent contractors) through the University's payroll office

and shall have federal/state taxes and other appropriate deductions withheld. Payments will be identified as *Additional Compensation* above the amount paid as the *Base Salary*.

## Attachment A

<b>ADDITIONAL COMPENSATION</b>				
	<b>9-month Faculty during Contract Period (mid-Aug to mid-May)</b>	<b>9-month Faculty outside of Contract Period (mid-May to mid-Aug)</b>	<b>10, 11 and 12-month Faculty</b>	<b>10, 11 and 12-month EPA/SPA Staff (Excluding SAAO's) All arrangements require pre-approval</b>
<b><u>Incidental Compensation</u></b>				
Internal grant stipends	Limit set by Provost	Allowable	Not eligible	Not eligible
Seminars, workshops, training (other than through Office of Continuing Ed.)	Allowable if outside dept. and pre-approved	*Allowable if less than 3/9 committed to govt.-sponsored research	Allowable if outside dept., outside work hours, and pre-approved	Outside of work hours, and outside department
Administrative assignments (less than one (1) year/interim) temporary stipend	Allowable, if approved	*Allowable if less than 3/9 committed to govt.-sponsored research	Allowable, if approved	Allowable, if approved
One-time special payments	Allowable if pre-approved with justification	*Allowable if less than 3/9 committed to govt.-sponsored research	Allowable if pre-approved with justification	Outside of work hours. SPA not eligible.
Dual Employment	Allowable if pre-approved	*Allowable if less than 3/9 committed to govt.-sponsored research	Allowable if pre-approved, outside work hours or contract period, LWOP and pre-approved	Outside of work hours or LWOP
<b><u>Additional Teaching</u></b>				
Overload instruction for credit courses (incidental)	Rarely approved	N/A	Rarely approved	Outside of work hours
Teaching Continuing Ed. programs (non-credit) (incidental)	Allowable if approved	*Allowable if less than 3/9 committed to govt.-sponsored research	Allowable if approved	Outside of work hours
Summer School Instruction (supplemental)	N/A	*Allowable if less than 3/9 committed to govt.-sponsored research	Rarely approved	Outside of work hours
<b><u>Supplemental Compensation</u></b>				
Government-sponsored contracts and grants	Release time only	*3/9 limit	Release time only	Release time only
Non-governmental contracts or grants	No limit if approved by sponsor & admn or release	No limit if approved by sponsor & admn	No limit if approved by sponsor & admn or release	Release time only

\*For example, if a 9-month faculty member is approved to receive an additional 2/9 of their 9-month salary base during the summer or outside of the contract period from government-sponsored research, then any of the above payments would be allowable with approval with no limit on the additional salary. If a 9-month faculty member is approved to receive an additional 3/9 of their 9-month salary base during the summer or outside of the contract period from government-sponsored research, then none of these additional payments would be allowed.