

FAYETTEVILLE STATE UNIVERSITY

SUPPLEMENTAL PAY

(replaces *Additional Compensation for Professional Services*)

Authority:	Issued by the Chancellor. Changes or exceptions to administrative policies issued by the Chancellor may only be made by the Chancellor.
Category:	Personnel – Employees Exempt from the State Human Resources Act
Applies to:	<ul style="list-style-type: none"> ● Administrators ● Faculty ● Exempt Professional Staff
History:	<p>Revised – June 26, 2025</p> <p>Approved – January 6, 2011</p>
Related Policies/ Regulations/Statutes	<ul style="list-style-type: none"> ● Conflicts of Interest and Commitment ● External Professional Activities ● Faculty Workload ● Policy on Faculty Workload [UNC Policy #400.3.4] ● Regulation on Faculty Workload [UNC Policy #400.3.4 [R]] ● Policy on Employees Exempt from the North Carolina Human Resources Act [UNC Policy Manual #300.1.1] ● Conflict of Interest and Commitment [UNC Policy #300.2.2] ● Regulations on External Professional Activities by Faculty and Non-faculty EHRA Employees [UNC Policy #300.2.2.1 [R]] ● Regulation on Implementing the UNC Conflict of Interest and Commitment Policy [300.2.2.3[R]] ● Supplemental Pay Policy for Employees Exempt from the North Carolina Human Resources Act [300.2.13] ● Cost Principles for Educational Institutions [OMB Circular A-21]
Contact for Info:	<p>Provost and Vice Chancellor for Academic Affairs (910) 672-1460</p> <p>Vice Chancellor for Business and Finance (910) 672-1151</p> <p>Office of Contracts and Grants (910) 672-1073</p> <p>Office of Sponsored Research and Programs (910) 672-1570</p> <p>Office of Human Resources (910) 672-1146</p> <p>Director of Payroll (910) 672-1092</p>

I. PURPOSE

For a full-time member of the faculty, Senior Academic and Administrative Officer (SAAO) or Exempt Professional Staff (EPS), the salary approved by the Chancellor and/or the University of North Carolina (UNC) System President is the base salary to be paid during a contract period. The purpose of this policy (Policy) is to address payments to employees beyond their base salary whether from internal University sources or external sources, and to provide uniform and consistent standards for approving such payments.

II. DEFINITIONS

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

A. Activity

An Activity is considered (1) a temporary (12 months or less) increase in responsibility during the employee's normal work hours or contract period, (2) extra duties outside the employee's job description that are performed outside of normal work hours or that add extra work hours in addition to those spent on normal job duties or (3) involvement in external funded sponsored projects, grants, or contracts.

B. Base Salary

Base Salary is the annual salary of an employee as it appears in the employee's contract/appointment and any subsequent salary increase/decrease. The Base Salary also includes any supplemental administrative stipends of one year or more.

C. Contract Period

Contract Period for 9-month faculty is typically mid-August through mid-May as set by the University's academic calendar each academic year. The specific dates for other employees are based on the actual employment contract/appointment letter.

D. Outside the Contract Period

Outside the Contract Period for 9-month faculty is the period after completion of the Spring semester until the start of the Fall semester as set by the University's academic calendar. Otherwise, the specific dates of the time Outside the Contract Period are based on the employee's employment contract/appointment letter. There is no Outside the Contract Period for 12-month employees.

E. Release Time

Release Time is the time a unit releases a faculty member from their normal departmental duties (e.g., teaching, public service) to perform research. It is directly charged to the sponsored program instead of the unit's funds.

F. Supplemental Pay

Supplemental Pay is any and all extra compensation paid through University payroll beyond the employee's Base Salary, regardless of funding source. Supplemental Pay includes, but is not limited to, administrative stipends, payments made for activities such as conducting seminars, workshops, and training; internal grant stipends; external grant and contract payments (sponsored programs); summer teaching payments; overload payments and other teaching stipends.

G. Unit Head

Unit Head refers to the individual with supervisory responsibility for the employee, whether in an academic or non-academic unit. A unit can refer to a department, school, college or division.

H. Government Sponsored Activity

Government Sponsored Activity is any activity that is funded by any government, including but not limited to local, state and federal government agencies.

III. SUPPLEMENTAL PAY ACTIVITIES

The following describes Activities for which an employee may receive Supplemental Pay. There may be other Activities that meet the definition of II.A. but are not listed below that a Vice Chancellor may approve for Supplemental Pay. Any activities undertaken for supplemental compensation may not interfere with an employee's satisfactory performance of their normal duties and responsibilities. Employees may not request or accept Supplemental Pay that conflict with University or University of North Carolina System policies or state or federal laws/regulations.

A. University Funded Activities

1. Instructional Activities

a. Overloads

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 Unit Head and Dean, overload pay may be approved for faculty who agree to teach additional credit courses beyond the faculty member's approved work load, if it is not counted as service, 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 overloads for payment or service.

b. Summer Teaching

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 if the Supplemental Pay does not exceed 33.33% of the faculty member's prior academic year's Base Salary. The salary for summer instruction is paid at the rate established by the Division of Academic Affairs.

c. SAAO and EPS Employees

EPS employees may be allowed, subject to advance approval of their respective Vice Chancellor, or if SAAO advance approval of the

Chancellor, to receive Supplemental Pay for instructional Activities provided the additional duties/responsibilities do not conflict with the duties/responsibilities associated with their primary appointment and provided that they hold appropriate academic credentials for the course to be taught. The instructional Activity must be carried out at times other than during the employee's normal working hours.

To avoid double-payment, paid leave may not also be claimed for any time spent on such instructional Activities during normal working hours, but leave without pay may be requested and must be approved by the individual's supervisor, and the approval forwarded to Human Resources for inclusion in the employee's official personnel file.

d. Seminars, Workshops, and Training

Employees may be approved for Supplemental Pay for conducting non-credit short courses or presenting special lectures, seminars, workshops and conferences. These services must be outside the employee's home department to qualify for Supplemental Pay and require advanced review and approval by the employee's Unit Head. The justification for these payments must address how the compensation amount was determined.

2. Internal Grants

Faculty members may receive Supplemental Pay 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 Senior Vice Chancellor for Academic Affairs ("Provost").

3. Administrative Duties (Faculty and EPS Employees)

Employees may assume administrative duties for which Supplemental Pay, usually in the form of a temporary stipend, is appropriate. If payment for such administrative duties is for a period exceeding one (1) year, then the stipend shall be considered a part of the employee's Base Salary.

4. Non-Teaching Activities (EPS Employees)

Non-teaching Activities performed by EPS employees are only permitted when approved in accordance with Section VI.A of this Policy. Such Activities must be outside the scope of the employee's primary duties/responsibilities, must not interfere with the employee's primary duties/responsibilities, and must be performed outside of the employee's normal working hours.

5. One-Time Special Payments

A special one-time payment may be paid to faculty or EHRA employees for certain Activities. Such may include payment for atypical Activities that are not a part of an employee's normal job duties and performed outside of the employee's normal working hours such as a special project related to the employee's expertise. In no

case may a one-time special payment be used as a bonus to compensate an employee for past performance.

B. External Funded Activities

As a condition for receiving external funded awards, the University must assure sponsors that the effort expended on the sponsored Activity justifies the salary charged to the Activity. Thus, the University will review all Supplemental Pay Activities prior to approving a sponsored Activity to ensure that the time proposed to be spent on the sponsored Activity is reasonable in relation to the employee's total University effort.

In addition, employees will be required to document that they have not used funding from a federal grant to cover the cost of vacation leave. Only leave associated with University holidays or inter-semester breaks may be taken during the period of the grant.

Supplemental Pay from external funded Activities may be further limited by the amounts of other Supplemental Pay received by the employee as outlined in this Policy.

1. Government Sponsored Activities

a. Activities Occurring Outside the Contract Period

For 9-month faculty, Supplemental PY may be earned Outside the Contract Period for Government Sponsored Activities as approved in accordance with Section VI.B. The maximum payment is 33.33% of the faculty member's Base Salary.

b. Activities Occurring During the Contract Period

Supplemental Pay from Government Sponsored Activities is not allowable during the Contract Period.

c. Intra-University Consulting

University faculty who function as consultants to a Government Sponsored Activity conducted by another University faculty member are not eligible for Supplemental Pay.

An exception may be made by the Provost if the consultation is across departmental lines, the consultation is included and has been approved by the government agency, and the consultation is deemed not to create a conflict of commitment/interest with the consulting faculty member's primary University duties/responsibilities. Compensation shall be in accordance with this Policy.

d. Faculty Responsibility

A faculty member is responsible for determining if the total Supplemental Pay the faculty member is scheduled to receive would result in more than

the 33.33% maximum allowed for Government Sponsored Activities. A faculty member who exceeds the limit in violation of this Policy will be subject to a retroactive salary adjustment, if necessary, to bring the total within the allowable maximum.

2. Other Externally Sponsored Activities

Faculty members involved in non-Government Sponsored Activities during the Contract Period should have their primary duties/responsibilities reduced through Release Time. In unusual cases, Supplemental Pay above the Base Salary may be allowable provided that the Activity is specifically required by the agreement with the project sponsor, the Supplemental Pay is approved in advance by the appropriate University officials (as outlined in Section IV) and the Supplemental Pay is in accordance with this Policy and other applicable laws, policies and regulations.

C. Maximum Amounts

Supplemental Pay includes all additional compensation beyond an employee's Base Salary that is paid by the University. The maximum amount of Supplemental Pay that may be paid to faculty, EPS and SAAO employees is described below.

1. Outside the Contract Period

A full-time 9-month faculty member may be paid a total of 33.33 % of their prior 9-month Base Salary Outside the Contract Period.

2. Within the Contract Period

The maximum amount of Supplemental Pay cannot exceed 20% of an employee's Base Salary during the Contract Period.

IV. REQUESTS AND APPROVALS

Supplemental Pay must be approved in advance of the initiation of the Activity in the manner described below. Supervisors are encouraged to consult with the Office of Human Resources prior to submitting requests for approval. Failure to receive approval in advance shall result in the employee not receiving Supplemental Pay.

A. University Funded Activities

1. Request to Engage in Supplemental Pay Activities

The following must be completed and documented before a supplemental payment can be made:

- a.** The employee's supervisor must submit a written request stating the employee's name, position and justification for Supplemental Pay in advance of the start of the Activity.

- b. The request must clearly identify the Activities covered, the relationship of the Activities to the primary duties/responsibilities, the expected duration, whether the proposed Activity will interfere with the employee's primary duties/responsibilities, any reported external activities as defined by the University's *External Professional Activities* policy and the basis for determining the Supplemental Pay.
- c. The request must be made to the appropriate administrator (Unit Head, Dean, Vice Chancellor).

The administrator reviewing the request should, at a minimum, consider and document the employee's total time commitments to the University as well as any external professional activities (e.g., outside consulting) and other Supplemental Pay Activities. The employee's supervisor and the employee are responsible for ensuring the time and compensation limits specified in this Policy are enforced.

2. **Approval**

Requests to engage in Supplemental Pay Activities require the following approvals:

- Faculty - approval of the Unit Head, Dean and Provost.
- EPS – approval of the Unit Head and respective Cabinet member (Vice Chancellor or Athletics Director)
- SAAO – approval of the Chancellor.

In addition, if the employee is to receive Supplemental Pay from a Unit that is not their employing Unit, the request for Supplemental Pay must also be approved in advance of the Activity by the employee's supervisor.

If the Activity is approved by all required parties, the written request and documented approvals shall be submitted, along with a *Position and Salary Action Request* form, for final review and processing to the Office of Human Resources. The Office of Human Resources shall submit the request submitted to the UNC System Office for approval if required by policy or regulation.

All requests must be submitted and approved in advance of any Supplemental Pay being communicated to the employee or the Activity being performed.

B. **Externally Sponsored Activities**

1. **Request to Engage in Externally Funded Activities**

Requests to engage in externally funded activities must be initiated by the employee and submitted in writing to the Unit Head. The Unit Head shall review the request and if approved, submit the following to the Unit Head's respective Dean and to the Provost (for faculty requests) or the respective Vice Chancellor (for EPS requests). Requests from SAAOs shall be submitted directly to the Chancellor. The submission must include the following:

- Employee's name, Base Salary and current position.

- Number of credit hours the faculty member is to teach during the period of the Activity.
- Detailed description of the proposed Activity, to include the proposed sponsor, detailed budget, type of grant/contract (e.g., federal, federal pass through, state, local, or private), period of performance for the Activity (whether the Activity will be performed within the Contract Period or Outside the Contract Period).
- For the period July – June, a calculation to include the Base Salary, any current Supplemental Pay being received and an estimate of the proposed Supplemental Pay.
- Verification that the proposed Supplemental Pay and Supplemental Pay already received during the fiscal year are within applicable limits.

Each administrator reviewing the request should, at a minimum, consider the following and document any concerns:

- the employee's current duties/responsibilities;
- any currently approved Supplemental Pay Activities;
- whether the 33.33% of Base Salary will be exceeded for Government Funded Activities;
- whether there exists any conflict of interest/commitments; and
- any reported external professional activities.

2. **Approval**

The following approvals are required to engage in Externally Sponsored Activities:

- Unit Head, Dean, Vice Chancellor, Chancellor (if SAAO)
- Office of Contracts and Grants
- Office of Sponsored Programs

Once the externally funded Activity is approved in writing by the sponsor, a *Position and Salary Action Request* form should be submitted to the Office of Human Resources for final review and approval. The Office of Human Resources shall submit to the UNC System Office for approval if required by policy or regulation.

All requests must be submitted and approved in advance of any Activity being performed.

C. **Certification**

Each fiscal year, employees must review their effort and certify the following:

- The indicated proportion of the employee's time and effort is reasonable to the amount of salary charged to the Activity.
- The Activity occurred during the indicated time period.
- Any transfers of salaries to the Activity reflect the actual effort performed on the Activity.

- There existed no conflict of commitment/interest.

V. OTHER MATTERS

A. Personnel File

Documentation of Supplemental Pay shall be maintained in the employee's personnel file.

B. Management

Supplemental Pay for faculty shall be managed by the Division of Academic Affairs. Supplemental Pay for SAAO and EPS employees, regardless of the employees reporting Unit, shall be managed by the Office of Human Resources.