

Salary Supplements, Stipends and Additional Compensation

Original Implementation: April 13, 1988

Last Revision: April 14, 2015

I. Purpose

This policy establishes guidelines consistent with federal and state regulations for the total allowable compensation that can be paid to faculty and staff from university-controlled funds. This policy does not apply to overtime and compensatory time for non-exempt employees or to compensatory time for exempt employees. See Overtime and Compensatory Time (12.14).

Additional requirements for compensation from externally sponsored research and sponsored projects (grants) are detailed in Compensation from Grants, Contracts and Other Sponsored Agreements (12.1).

II. General

1. Each faculty and staff member (employee) is accountable to the university for 100 percent of the duties and responsibilities associated with the employee's basic appointment. The primary obligation of university employees is the full and complete execution of all assigned duties and responsibilities.
2. State regulations prohibit the appointment of university employees for more than 100 percent time for services considered to be regularly assigned duties associated with an individual's full-time responsibility.
3. Employees may be requested to provide consulting, extension, and/or other activities within the university that are considered to be in addition to their regularly assigned duties for which compensation in excess of institutional base salary (IBS) may be paid.
4. Compensation in excess of base salary is a temporary adjustment of total compensation, which must be specified and approved in writing prior to work commencing by the appropriate administrative channels, and is expressly conditioned on availability of funds.
5. Without exception, all payments to university employees will be made through payroll services. Salary supplement, stipend, and additional compensation payment requests must be submitted and paid before the close of the fiscal year in which the services were performed. Payments for additional compensation

using grant funds must be requested and approved within the appropriate grant funding period.

6. The activities listed below are considered additional responsibilities for which an employee may receive extra compensation:
 - a. special projects assigned by approved university administrators that are in addition to an employee's normal responsibilities;
 - b. intra-university consulting or other special services conducted for a university department or area other than the employee's department;
 - c. services beyond normal duties of the position held which cannot be reimbursed by compensatory (comp) time, including incidental activities on grants [see Compensation from Grants, Contracts and Other Sponsored Agreements (12.1)];
 - d. increases in teaching load (overload) approved by the provost/vice president for academic affairs; and
 - e. duties performed by an employee not under contract at the time the duties must be performed (except for start dates that are outside of the academic year), or those that are not considered in the base salary.
7. The base salary period for a full-time faculty appointment is the academic year (normally September 1 through the following May 31). Summer months and periods of time during the academic year when the university is not in session, e.g., weekends, holidays, semester breaks, are not included in the base salary period.
8. On occasion, regular university activities for which faculty are responsible are scheduled outside the base period and are assumed to be included in the institutional base pay, and therefore are not eligible for extra compensation (examples include Showcase Saturday and Freshman Orientation.)
9. Additionally, the university may employ faculty members during the summer months for specific teaching, research, or grant assignments for which they are paid a salary.
10. Any individual who is dually employed (rather than grant funded) with the university and with another state or federal agency must obtain prior written approval from the president and Board of Regents before entering into any activity for which compensation in excess of IBS is to be requested or paid. See

Dual Employment (11.7.)

III. Types of Extra Compensation

There are three types of compensation in excess of IBS: (1) salary supplements; (2) stipends; and (3) additional compensation.

1. Salary Supplements:

"Salary supplement" means a payment that temporarily augments the base appointment salary. When the special assignment ends, the salary reverts to the base appointment salary. A salary supplement increases the base appointment salary for the purpose of calculating the maximum amount an employee may receive in additional compensation. See section 3, below.

- a. Payment of salary supplements for interim appointments and endowed positions are approved either directly by the Board of Regents or indirectly through board policy and must be reviewed and approved annually. Salary supplements for overload assignments do not require board approval.
- b. Salary supplements appear on the regular monthly payroll check and are included in all benefit calculations except health insurance and longevity.
- c. Salary supplements are requested on the Electronic Personnel Action Form (EPAF) or the EPAF Origination Request Form.
- d. Salary supplements cannot be paid from grant funds.
- e. Examples of salary supplements may include compensation for: (1) interim appointments; (2) faculty course overloads [Overload Assignments (7.20)]; and (3) endowed positions.

2. Stipends:

"Stipend" means a lump-sum payment in addition to the base appointment salary that provides recognition or incentives to employees as established in university policy. A stipend does not increase the base appointment salary for the purpose of calculating the maximum amount an employee may receive in additional compensation (see section 3, below) and is not counted as additional compensation.

- a. Payment of stipends may be approved by any of the following methods:

- directly by the Board of Regents;
 - indirectly through board policy; or
 - unless otherwise provided by other policy, by the appropriate vice president or president.
- b. Stipends are requested on the Stipend Authorization form and are paid on the monthly payroll, but are not included in benefits calculations.
 - c. Stipends can be paid from designated, auxiliary, and gift accounts.
 - d. Stipends cannot be paid from state appropriated funds or grant funds.
 - e. Examples of stipends may include: (1) the Regents Professors Award [Regents Professor (7.24)]; (2) the President's Staff Award; (3) teaching excellence awards; (4) compensation for online courses not paid for by sponsored agreements [Distance Education Faculty Competencies and Compensation (7.9)]; (5) payments for off-campus teaching assignments [Off-Campus Credit Courses (5.13)]; (6) incentive payments; and (7) musical or theatrical performances at university-sponsored events.

3. Additional Compensation:

"Additional compensation" means a payment in addition to the IBS for work that is clearly in addition to regularly assigned duties and that must be performed outside of normal working hours or during vacation or compensatory time, as appropriate. Additional compensation does not affect the IBS.

Additional compensation is subject to a cap equal to 25 percent of the 9- or 12-month base appointment salary. The cap applies to all sources of funds. (See subsection h below.)

Additional compensation is included in all benefit calculations except health insurance and longevity.

- a. Requests for additional compensation (1) must be submitted in writing; (2) must be submitted in advance, before work is started, on the Authorization for Additional Compensation Services form, and (3) must be approved for payment after services are rendered on the Authorization for Additional Compensation Payment form. Consequences for late submission of forms may result in a delayed payment to the employee. Additionally, the appropriate vice president will be notified of the individual(s) failure to follow university policies and procedures.

- b. Departments that want to have a non-exempt employee perform additional compensation work for them must complete the authorization request form and include a time report with the payment request form.
- c. A description of the extra work and documentation of the additional compensation shall be maintained by the department chair, division director or other primary administrator who initiated the request for additional compensation.
- d. Department chairs, division directors, and all deans shall analyze carefully the total professional commitments, including outside consulting, of the employee requesting additional compensation. Additional compensation should be approved only if the employee's and the department's general functions will not be adversely affected.
- e. If allowed by a sponsor, additional compensation may be paid from grant funds. The Authorization for Additional Compensation Services form must be routed with the ORSP Additional Compensation Verification form to the Office of Research and Sponsored Programs for verification of sponsor approval [see Compensation from Grants, Contracts, and Other Sponsored Agreements (12.1)].
- f. Examples of additional compensation may include: (1) interdepartmental consulting or short-term, incidental activities on grants; (2) casual, seasonal work; and (3) teaching SFA 101.
- g. At no time can the rate of pay for additional compensation exceed the employee's normal rate of pay.
- h. Additional compensation is subject to the maximum salary limits described below.
 - i. Maximum Salary for 12-month Employees:

Employees on 12-month fiscal year (FY) appointments may receive up to 25 percent of their current IBS in additional compensation (see example below).

12-month Employee Example: A 12-month employee with an annual base salary of \$60,000 may earn additional compensation up to \$15,000 for a maximum salary of \$75,000 in a fiscal year.

$\$60,000 \times 0.25 = \$15,000$ maximum additional compensation
 $\$60,000 + \$15,000 = \$75,000$ maximum 12 month compensation

ii. Minimum Salary for 9-month Faculty Members:

Faculty members on 9-month academic year (AY) appointments may receive up to 25 percent of their current IBS in additional compensation (plus summer salary, see (3) below).

9-month faculty example: A faculty member with a 9-month AY base salary of \$45,000 may earn additional compensation during the nine-month appointment of up to \$11,250, for a maximum nine-month salary of \$56,250.

$\$45,000 \times 0.25 = \$11,250$ maximum in additional compensation

$\$45,000 + \$11,250 = \$56,250$ maximum 9 month compensation

iii. Maximum Summer Salary for Faculty Members:

Summer Teaching Assignments_- The maximum summer salary for teaching assignments is summarized in university policy, Faculty Compensation (12.6). See also Summer Teaching Appointments (7.28).

Summer Faculty Example: A faculty member with a 9-month AY base salary of \$45,000 that earns \$15,000 in summer salary (equal to 3/9th) may earn additional compensation during the 3-month summer of up to \$3,750, for a maximum salary of \$18,750 in a summer, provided that the additional compensation is earned for work that is clearly in addition to regularly assigned duties and is performed outside of normal working hours or during vacation or compensatory time, as appropriate.

$\$45,000/9 \text{ mo} \times 3 = \$15,000$ maximum summer salary (3/9th).

$\$15,000 \times 0.25 = \$3,750$ maximum in additional compensation

$\$15,000 + \$3,750 = \$18,750$ maximum summer compensation

The maximum summer salary paid from grants may be further limited based on the source of funds. See Compensation from Grants, Contracts

and Other Sponsored Agreements (12.1).

Cross Reference: Summer Teaching Appointments (7.28); Off-campus Credit Courses (5.13); Overload Assignments (7.20); Regents Professor (7.24); Grants and Contracts Administration (8.3); Distance Education Faculty Competencies and Compensation (7.9); Compensation from Grants, Contracts and Other Sponsored Agreements (12.1); Dual Employment (11.7); Overtime and Compensatory Time (12.14); Fair Labor Standards (11.14); Faculty Compensation (12.6); Fair Labor Standards Act, 29 U.S.C. § 201 et. seq.; 2 CFR § 200.430; Uniform Grant Management Standards for the State of Texas; Texas Government Code §§ 605, 658.001-.007, 659

Responsible for Implementation: Vice President for Finance and Administration

Contact for Revision: Vice President for Finance and Administration (Director of Human Resources, Controller, Director of Research and Sponsored Programs)

Forms: Electronic Personnel Action Form (Available online through MySFA under myServices); EPAF Origination Request Form available on the Department of Human Resources website; Stipend Authorization; Authorization for Additional Compensation Services; Additional Compensation Verification form available on the ORSP website; Authorization for Additional Compensation Payment

Board Committee Assignment: Academic and Student Affairs