



## **Additional Compensation**

### **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 SFA HOP 03-407 Overtime and Compensatory Time.

Additional requirements for compensation from externally sponsored research and sponsored projects (grants) are detailed in SFA HOP 02-401 Compensation from Grants, Contracts and Other Sponsored Agreements.

### **Persons Affected**

This policy applies to all faculty and staff.

### **Definitions**

**Institutional Base Salary (IBS):** payment for the regularly assigned duties and responsibilities associated with an employee's primary assignment.

**Additional Compensation:** payment for any of the three forms of additional compensation defined below; stipend, additional services, or salary supplement.

**Stipend:** payment for additional work performed beyond an employee's regular job duties that has been earned or completed in one month or less. Also payment for an award.

**Additional Services:** payment for work that is performed beyond an employee's regular job duties and requires the employee to perform work outside of normal working hours or during vacation or compensatory time, as appropriate

**Salary Supplement:** payment for additional work performed beyond an employee's regular job duties that should be completed over two to six months in duration.

**Base Salary Period:** 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.

### **Policy**

Each faculty and staff member (employee) is accountable to the university for 100 percent of the duties and responsibilities associated with the employee's primary appointment. The obligation of university employees is the full and complete execution of all assigned duties and



responsibilities.

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. Primary appointments shall not exceed 100 percent full time equivalency (FTE).

Authorization of additional compensation payment is not guaranteed or required to be paid to an employee who fills in on special projects or is assigned additional tasks due to a departmental vacancy, shift in workload, or other staffing related changes. Such payments are initiated at the discretion of the manager or supervisor and are pending until the approval process is complete.

Without exception, all payments to university employees will be made through Payroll Services. Stipend, additional services, and salary supplement payment requests must be submitted and paid before the close of the fiscal year in which the services were performed or recognition/incentive awarded. Payments for any form of additional compensation using grant funds must be requested and approved within the appropriate grant funding period.

On occasion, regular university activities for which faculty are responsible to attend outside the base period are assumed to be included in the institutional base pay, and therefore are not eligible for additional compensation (examples include Showcase Saturday and New Student Orientation).

Additionally, the university may employ faculty members during the summer months or outside the base salary period for specific teaching, research, or grant assignments for which they are paid a salary.

Compensation increases involving tenured faculty of \$10,000 or more, including one-time and additional payments, require the approval of U.T. System Administration.

Administrative stipends must be approved by U.T. System Administration for all university employees who report directly to the President or who report directly to an Administrative Officer or Vice President, in accordance with The University of Texas System Budget Rules and Regulations prior to approval by the Board of Regents in the annual operating budget.

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, or designee, before entering into any activity for which compensation in excess of IBS is to be requested or paid.

## **Procedures**

Additional Compensation requests will be completed electronically and submitted to Human Resources (HR). HR will review the request to confirm reasonable and appropriate justification supports the payment. Consequences for late submission of requests may result in a delayed payment to the employee.

All additional compensation requests will be routed for approval to the designated Senior Vice



President and/or the Provost and Executive Vice President for Academic Affairs, or equivalent. If the employee performs work outside their primary division, both divisions must approve in advance. Approval is based on the justification of the request and the availability of funds. The funding source for the request should be included in the justification (i.e. budgeted position vacancy, O&M, etc.).

Additional Compensation payments appear on the regular monthly payroll check and are subject to be included in benefit calculations.

### **Stipends**

A stipend is a one-time, lump-sum payment in addition to the IBS. A stipend does not increase the IBS for the purpose of calculating the maximum amount an employee may receive in total additional compensation and is not counted as additional services compensation.

Stipends can only be paid from designated, auxiliary, and gift accounts. State appropriated funds cannot be used for payment of stipends. Grant funds may be used in certain situations with approval of the Senior Vice President or Provost and Executive Vice President for Academic Affairs (i.e., Charter School).

Examples of stipends may include performance at university sponsored musical or theatrical events, and awards or performance incentive bonuses as established in HOP 05-104 Gifts, Prizes, and Awards.

### **Additional Services**

Additional services performed for payment in addition to the IBS require the employee to perform work outside of normal working hours or during vacation or compensatory time, as appropriate. Additional services compensation does not affect the IBS. Additional services compensation is subject to a cap equal to 25 percent of the 9- or 12- month IBS, regardless of the funding source. Compensation in excess of IBS for additional services is a temporary adjustment of total compensation, which must be specified and approved in writing by the appropriate administrative channels prior to the commencement of work.

To assign a non-exempt employee to perform additional services, a department head must include the reason the non-exempt employee is performing the additional services, the description of work to be performed, and a proposed work schedule or time report in the additional compensation request. A description of the extra work and documentation of the additional services shall be maintained by the department chair, division Senior Vice President or other primary administrator who initiated the request for additional services payment. At no time can the rate of pay for additional services exceed the non-exempt employee's normal rate of pay.

Department chairs, deans, and division senior vice presidents, or equivalent, shall analyze carefully the total professional commitments, including outside employment of an employee for whom a department is requesting additional services payment(s). Additional services payments should be approved only if the employee's and the department's general functions will not be adversely affected.



If allowed by a sponsor, additional services payment(s) may be paid from grant funds. The request must be approved by the Office of Research and Graduate Studies for verification of sponsor approval [see SFA HOP 02-401 Compensation from Grants, Contracts, and Other Sponsored Agreements].

Employees on 12-month fiscal year (FY) appointments and faculty members on 9-month academic year (AY) appointments are subject to the maximum salary limit of 25 percent of their current IBS in additional services payments.

Examples of additional services may include performing work on a grant or teaching or developing a class outside the official job assignment area.

General information regarding teaching assignments can be found in SFA HOP 03-403 Faculty Compensation, SFA HOP 02-319 Summer Teaching Appointments, and the Human Resources Additional Compensation Guidelines.

The maximum summer salary paid from grants may be further limited based on the source of funds. see SFA HOP 02-401 Compensation from Grants, Contracts and Other Sponsored Agreements for additional details.

### **Salary Supplements**

A salary supplement is a payment that temporarily augments the IBS. When the special assignment ends, the salary reverts to the IBS. A salary supplement increases the IBS for the purpose of calculating the maximum amount an employee may receive in additional compensation. A review by the Senior Vice President and/or Provost and Executive Vice President for Academic Affairs along with Human Resources (HR) is required for continuation of payment past six months. Salary supplements paid to faculty will be reviewed on an annual basis by the Provost Office. Salary supplements cannot be paid from grant funds.

Examples of salary supplements may include compensation for temporary or interim appointments, faculty course overloads, and endowed positions.

All initial or new holder appointments to a Chair or Professorship endowed position require prior approval by the university President and Chancellor of the UT System, or designee.

### **Related Statutes or Regulations, Rules, Policies, or Standards**

Fair Labor Standards Act, 29 U.S.C. § 201 et. seq.  
2 CFR § 200.430

Tex. Gov't Code §§ 605, 658.001-.007, 659

UTS Regent Rule 60202 Endowed Academic Positions, Endowed Student Support, and Other Endowments

SFA HOP 02-319 Summer Teaching Appointments  
SFA HOP 02-216 Off-Campus Credit Courses



SFA HOP 02-407 Grants and Contracts Administration  
SFA HOP 02-306 Distance Education Faculty Competencies and Compensation  
SFA HOP 02-401 Compensation from Grants, Contracts, and Other Sponsored Agreements  
SFA HOP 03-407 Overtime and Compensatory Time  
SFA HOP 03-207 Fair Labor Standards  
SFA HOP 03-403 Faculty Compensation  
SFA HOP 05-104 Gifts, Prizes, and Awards

Additional Compensation Guidelines

**Responsible Executive**

Senior Vice President Organizational Effectiveness

**Forms**

Additional Compensation Form  
Electronic Personnel Action Form

**Revision History**

September 1, 2023 (original)  
August 8, 2025

Non-Educational Policy