Additional Compensation

Original Implementation: April 13, 1988
Last Revision: July 27, 2021

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).

Definitions

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

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

Stipend means a lump-sum payment in addition to the IBS that provides recognition or incentive to employees as established in university policy. 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.

Additional services are services performed for payment in addition to the IBS for work that is clearly in addition to regularly assigned duties and requires 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 of funds. Additional services compensation is included in all benefit calculations except health insurance and longevity.

Salary Supplement means 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.

General

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).

Without exception, all payments to university employees will be made through payroll services. Salary supplement, stipend, and additional services 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.

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.

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 additional compensation (examples include Showcase Saturday and Freshman Orientation).

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.

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).

There are three types of additional compensation: stipends; additional services, and salary supplements. For specific examples of each type contact Human Resources.

Stipends

Stipends may be approved either directly by the Board of Regents or indirectly through board policy

or by the appropriate vice president or president. Stipends are paid on the monthly payroll but are not included in benefits calculations. Stipends can be paid from designated, auxiliary, and gift accounts. Stipends cannot be paid from state appropriated funds or grant funds.

Additional Services

Compensation in excess of institutional base salary for additional services 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.

Requests for additional services payments must be submitted in writing before work is started, and must be approved for payment after services are rendered. Consequences for late submission of forms may result in a delayed payment to the employee.

Departments that want to have a non-exempt employee perform additional services for them must complete the authorization request form and include a time report with the payment request form. A description of the extra work and documentation of the additional services shall be maintained by the department chair, division director 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, division directors, and all deans shall analyze carefully the total professional commitments, including outside consulting of employees 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 Compensation from Grants, Contracts, and Other Sponsored Agreements (12.1)].

Additional services payments are subject to the maximum salary limits described below:

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 services payments (see example below).

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

$60,000 × 0.25 = $15,000 maximum additional services payments

$60,000 + $15,000 = $75,000 maximum 12-month compensation

Maximum 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 services payments (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 services payments during the nine-month appointment of up to $11,250, for a maximum nine-month salary of $56,250.

$45,000 × 0.25 = $11,250 maximum additional services payments

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

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 services payments during the 3-month summer of up to $3,750, for a maximum salary of $18,750 in a summer, provided that the additional services payments are 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 mo. × 3 = $15,000 maximum summer salary (3/9th).

$15,000 × 0.25 = $3,750 maximum additional services payments

$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).

Salary Supplements

Salary supplements paid 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. Salary supplements for performing the duties of a direct report are generally not allowed.

Supplements appear on the regular monthly payroll check and are included in all benefit calculations except health insurance and longevity. Salary supplements are requested on the Electronic Personnel Action Form (EPAF) or the EPAF Origination Request Form and cannot be paid from grant funds. Examples of salary supplements may include compensation for interim appointments, faculty course overloads, and endowed positions.

Cross Reference: Summer Teaching Appointments (7.28); Off-Campus Credit Courses (5.13); Regents Scholar (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); Outside Employment (11.19); 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: Associate Vice President for Finance and Administration

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

Board Committee Assignment: Academic and Student Affairs