



UNIVERSITY POLICIES & PROCEDURES No 15
OFFICE OF SPONSORED PROGRAMS

FACULTY & STAFF
SUPPLEMENTAL COMPENSATION

STATEMENT

This policy provides opportunities to enhance the recruitment and retention of exceptional faculty. The University encourages appropriate and properly sanctioned faculty creative and professional activity that may result in supplemental compensation. Such appropriate activities include, but are not necessarily limited to research, professional consulting, invention, and technical or professional innovation. *The defining characteristic of these activities is that they are supported by funds outside of Education and General (E&G) money.* This policy should be read in conjunction with the University policy on contracts for Teaching Faculty and the policy on employment generally for Administrative and Professional Faculty (See section 5.12 of the University's Faculty manual, August 16, 2000 edition, and "Employment," Administrative & Professional Faculty Handbook, January 1, 2002, pg. 11, et seq.). The intent is that this policy will supercede current policy and/or practices.

APPLICATION

This policy applies to full-time instructional, administrative/professional faculty and staff.

COMPENSATION UNDER SPONSORED PROGRAM ACTIVITY

Faculty members with funded grant or contract activities can receive supplemental compensation unless it is specifically barred by the funding agency. If a grant or contract does not allow compensation concurrent with a regular appointment, faculty may only receive release time.

MECHANISMS FOR COMPENSATION

- (a) Traditional overload payment, as currently used for credit and non-credit instruction. Such payment could be made under the existing standard faculty contracts if such payment is specifically permitted by university policy and regulations.
- (b) The flexible employment contract, with specific provisions governing compensation for specific types of faculty activity that is above and beyond basic contractual workload; and

- (c) Enterprise and Empowerment Foundation (E2F) for the conduct of appropriately designed and approved activities of the type to be encouraged by the University.

APPROVAL PROCESS

Faculty members, who intend to engage in short-term grant or contract work (i.e. faculty members who are not recognized as grant administrators, or PI/PD,) must complete and sign the Authorization for Supplemental Sponsored Program Work and secure the appropriate signatures prior to engaging in the work.

Opportunities, methods, resources, and/or client populations among different departments may require flexibility and/or variation in and/or procedures from one part of the campus to another. Hence, school deans and department chairs are encouraged and expected to be flexible and creative in the utilization of available techniques, mechanisms, and incentives to encourage, monitor, and evaluate faculty activities that call for supplemental compensation.

Should any individual(s) engage in such activities to the extent that their basic faculty and staff workload responsibilities are being neglected or not performed in a satisfactory manner, it should be the responsibility of the unit head, department chair and/or dean to take appropriate corrective action, including placing reasonable limits on the extent of future involvement in such supplemental compensation activities.

The principal responsibility for development and administration of such endeavors is at the unit or college level, with appropriate reporting to and oversight by the appropriate Vice President.

PAYROLL RELATED ISSUES

- (a) Base Pay: Incentives cannot be added to the faculty's base pay. Incentives are considered income for the faculty and will be taxed accordingly. The University will not increase incentive total by the amount of payroll taxes normally deducted from the faculty's pay.
- (b) Short term sponsored program activity that is undertaken concurrent with regular appointment, and is permitted by the funding agency, may be compensated on an overload basis if and only if the time spent on the activity constitutes no **more than 24% of the days in the faculty or staff member's normal work week**. Hence, any sponsored program work effort that does not exceed the equivalent of **1.2 days (24% x 5 days) per work week** can be compensated as overload work. This translates into about 1 month per academic year and 3 summer months that can be compensated. **However, if the work effort is in excess of this threshold, then the faculty member can only seek and be awarded a release time.**

- (c) Faculty members who have been assigned to sponsored program activities on an annualized appointment shall be compensated at 144% of their base salaries. The additional 44% derives from (b) when the rate is annualized by virtue of the possible 4 months of compensation ($4/9 = 0.44$).

PAYMENT SCHEDULE

Faculty member may choose one of two methods for the payment of the incentives:

- (a) Lump sum payment at the end of the funded grant/contract prior to close out
(b) Scheduled payment over a designed number of paydays within the fiscal year

Responsibility: **President and Vice Presidents**

Authorization: **Marie V. McDemmond, President**

Date: **April 17, 2002 (Retroactive to July 01, 2001)**