


## Policy IX.1



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	IX.1 Section IX-IX.1	
	<b>POLICY TITLE</b>	
	Extra Compensation for Faculty and Staff	
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## Part I.

**PURPOSE**

The purpose of this policy is to reaffirm Johnson C. Smith University's (hereinafter referred to as "JCSU" or "the University") commitment to teaching and to provide guidance regarding potential payments above and beyond normal base compensation for faculty and staff who provide certain instructional, research and service activities to the University above and beyond their normal employment duties and guidance on faculty reassignment from teaching to non-teaching duties.

Scholarship and creative activity are central to quality teaching and it is the role of a university to expand the boundaries of knowledge. Consequently, JCSU is committed to enhancing and supporting the quality of the faculty by providing as much funding for instructional, research and service activities as possible. This commitment notwithstanding, faculty members are encouraged to seek and secure external funding and the University will provide technical support to faculty seeking external funding.

Faculty additional compensation and reassigned time may be funded internally or externally. Costs of reassigned time for research, scholarship or faculty development activities must be funded through faculty development grants, grants and contracts secured by the individual faculty member or the department, or other specific monies available to the University.

JCSU resources are normally allocated to individual academic units, programs, colleges and/or departments within the University based on a normal teaching load of 12 semester hours and with the understanding this may vary from department to department depending on mission and purpose. Those academic programs with laboratory courses and graduate courses that may come into being will be treated as appropriate in the budgeting process.

Faculty and staff are not ordinarily permitted to be employed for more than full-time, 100 percent. Additional compensation sought for activity that will not interfere with the individual's University responsibilities, is not within the employee's home department and does not represent the sort of activity normally expected of or associated with the individual's basic appointment may be permitted subject to certain conditions as outlined below.

## Part II.

**APPLICABILITY****A. Scope**

This policy applies to all employees of the University who seek extra compensation for work that is considered performed in addition to their regular departmental workload as determined by their job description or faculty workload requirement and their supervisor. As described in further detail below, this policy is in accordance with the U.S. Office of Management and Budget ("OMB") 2 CFR 200, Section 200.430 (h) that addresses the issue of extra compensation for federal grants and contracts, the allowable conditions under which federal grant personnel may receive extra compensation, and the minimum standards for documentation in support of extra compensation received from federal grants and contracts at institutions of higher education (IHEs).

This policy also applies solely to funds administered and paid by the University.

**B. Eligibility**

1. The following categories of University employees may be eligible for extra compensation:
2. Persons in instructional titles (faculty) for activities performed outside of their normal duties;
3. Professional and management staff employees for activities performed outside of normal duties; and
4. Non-exempt employees for extra services performed beyond their regular workload.

**C. Activities**

Examples of activities that may allow JCSU employees to qualify and receive approval for extra compensation include, but are not limited to teaching additional classes, temporary assignments to work on a contract or grant, a specific assignment to serve on a special committee or consulting assignment within the University. Other activities may be considered on a case by case basis. Stipends are excluded from extra compensation calculations.

**D. Responsibility**

The following individuals have responsibility for implementing this policy and ensuring that this policy is adhered to and applied consistently: President, Executive Vice President and Chief Operating Officer or designee all JCSU 3 Vice Presidents, Deans, Department Chairpersons, Faculty, Directors, and Principal Investigators.

**Part III.**

**GUIDELINES AND STANDARDS**

**A. Review and Approval**

Eligible University employees may be eligible to receive additional compensation subject to the following guidelines and requirements:

1. The services performed must be in addition to the employee's full workload and entirely outside of his/her scheduled work hours or while on annual leave. University 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.
2. University employees wishing to receive extra compensation are required to have advance written approval through defined channels. The President has final approval authority.
3. To receive advance approval for extra compensation, University employees are required to complete an Extra Compensation Request Form. Such forms are available from the University's website, Grants Office or Human Resources Department. The required Extra Compensation Request Forms must be submitted in advance of performing any services for extra compensation. University employees will not receive any extra compensation for services performed prior to submitting the Extra Compensation Request Form or prior to receiving approval in writing for extra compensation.
4. Approval for extra compensation for extra services will follow strict organizational channels with final approval resting with the President.
5. To receive approval for extra compensation, the University employee must present evidence that the proposed services to be provided are essential and cannot be provided by persons receiving salary support under the grant or other individuals.
6. In the case of extra compensation for a faculty's teaching load, there must be also be evidence that qualified adjunct faculty cannot be hired to teach the courses that would normally be assigned to the faculty.
7. The additional duties for which extra compensation is requested may not in any way interfere with the performance of the University employee's regularly assigned responsibilities and duties.
8. Additional compensation for a teaching overload and additional compensation for a grant are permissible for only one semester during the period of the total grant for which additional compensation is requested is granted.
9. Additional compensation for non-teaching responsibilities may take the form of reassignment time, except in those circumstances where faculty members choose to negotiate with the University for additional compensation in lieu of reassigned time.
10. The University may question activities that appear to be recurring or that are for an extended period of time.
11. There must be evidence that a selection process has been employed to secure the most qualified person available and that a senior officer of the University has approved the selection.

12. There must be evidence that the charge, assignment or duty is appropriate considering the qualification of the consultants, his/her normal charges, assignments or duties, and the work performed must be in addition to the employee's regular academic or administrative departmental workload. Employees, whose assignment includes release time, shall not be eligible for extra compensation.
13. If extra compensation is sought for an employee of the institution whose assignment includes release time, the service must be across departmental lines and in addition to regular duties, or it must involve a separate or remote operation, and the work performed must be in addition to the employee's regular academic or administrative departmental workload. Employees, whose assignment includes release time, shall not be eligible for extra compensation.
14. Supervisors of Principal Investigators may not receive extra compensation from their supervisees' contracts and grants.
15. Faculty and staff on fiscal year or academic year appointments may receive three months salary at their nine month monthly base rate for the summer period between the spring and fall semesters. Advance payment for summer salary is not allowed, nor is it permissible to receive summer salary for services performed during the academic year. In addition, faculty who are working full time for a grant(s) are not allowed to teach summer courses. Time sheets submitted for summer activities must show all the activities involved.
16. Directors of academic units may not draw extra compensation from contracts and grants directed by employees affiliated with their units.
17. Overload compensation may be paid to classified personnel and to professional staff not serving as key personnel and to professional staff not serving as key personnel so long as doing so is a cost-effective means achieving project objectives.

#### **B.Procedures**

##### **1. Receiving Extra Compensation of Federally Sponsored**

2 CFR 200, Section 200.430 (h)(3) states in part that intra-university consulting is assumed to be undertaken as a university obligation requiring no compensation in addition for full-time base salary, the principle also applied to faculty members who function as consultants or otherwise contribute to a sponsored agreement conducted by another faculty member at the same institution. However, in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the faculty is in addition to his or her regular departmental load, charges for such work representing extra compensation above the base salary are allowable provided that such consulting arrangements are specifically provided for in the agreement or approved in writing by the Federally awarding agency.

In order to ensure compliance with 2 CFR 200, Section 200.430 (h), in addition to the above-listed conditions for receiving extra compensation on federally sponsored programs, the following special rules will apply to extra service performed on projects funded wholly or in part with Federal funds:

1. In order to be eligible for extra compensation, extra service on Federally funded projects must be performed outside the faculty member's home department (or departments, in the case of a faculty member's holding a joint appointment). There shall be no extra compensation for work on federally-funded projects based within the faculty member's home department or organizational unit; work on such projects shall be deemed part of the faculty member's normal workload.
2. In order to be eligible for extra compensation, the extra service must be clearly over and above the faculty member's normal workload or staff job description.
3. In order to be eligible for extra compensation, such extra compensation must be specifically provided for in the agreement or approved in writing by the sponsoring agency. Service performed in advance of written approval by the sponsoring agency will not be compensated. The appropriate Grants Officer shall be responsible for obtaining appropriate documentation of the agreement for additional compensation. Such written documentation must accompany the University employee's Extra Compensation Request Form.

##### **2. Amount of Extra Compensation**

Although the University may determine the rate of extra compensation to be paid to a university employee for a particular activity, the amount and rate of compensation paid to a university

employee for extra compensation will be in line with the rate of compensation paid for the performance of the employee's normal duties and will be calculated at the monthly salary rate paid during the preceding appointment period at the University. JCSU has determined the maximum total amount of extra compensation paid to a JCSU employee during any one fiscal year shall not exceed thirty-three percent (33%) of the employee's base salary or hourly pay rate.

3. Processing and Payment of Extra Compensation

As noted above, all extra compensation must be approved in writing in advance of performing any services. All employees seeking extra compensation are required to submit an Extra Compensation Request Form to the appropriate Grants Officer. Once extra compensation has been approved, without exception, all payments to University employees for additional compensation will be made through payroll services as outlined and approved on the "Request for Additional Compensation Employment" form.

Non-exempt (classified) employees must be compensated for work in excess of forty (40) hours in any workweek in accordance with compensatory or overtime payment regulations and procedures and applicable law. No non-exempt employees will be paid on a Request for Additional Compensation Employment form unless it is casual, seasonal work that must be performed outside the employee's regular department.

**Part IV. EXPECTED RESULTS**

The Council of Deans, and Vice President for Sponsored Programs and Research will periodically review the patterns of extra compensation and advise the President on the overall impact and nature of such payments.

Revenue to support extra compensation described in this policy will not come from the general fund but rather from either extra funds generated as program income or from outside grants and contracts in the areas of research, education and training.

**Part V. EXCEPTIONS AND DEVIATIONS**

**The authority to interpret this policy rests with the President, and may be delegated to the Chair of the Council of Deans. The President, for appropriate and documented cause, on a case-by-case basis, may grant amendments and/or exceptions to this policy in accordance with applicable law. Exceptions must not, in the case of faculty, exceed one semester in duration or, in the case of exempt staff, six calendar months. Exceptions to this policy that, by plan, will exceed one 7 semester or six calendar months must be approved by the President in writing and in advance of any service being performed.**

1. This policy does not include prizes, bonuses and incentive awards as part of the 33% cap on extra compensation.
2. This policy does not apply to work for which no compensation or other remuneration is received, unless such work interferes with the responsibilities of the employee to the University.
3. Extra compensation is not to be used in lieu of overtime for an employee deemed eligible for overtime under the Fair Labor Standards Act.

**Part VI. Definitions**

**Academic Year:** The academic year will be determined by the academic calendar as published by the Office of Academic Affairs.

**Approval Channels:** The approval channel is the process by which approval is sought for Extra Compensation. The approval channel for faculty is the originator, the department chair, dean, grants officer, vice president for finance and the president. The approval channel for staff is the originator, unit director, area vice president, grants officer, vice president for finance and the president.

**Base Salary Period:** The base salary period for a full-time faculty appointment is the academic year. 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. However, regular University activities for which faculty members may be responsible are, on occasion, scheduled outside the base period.

**Contract or Grant:** A contract or grant is an agreement for funds received by the University from an external source to perform research, training or other sponsored activities.

**Extra Compensation:** Extra compensation is remuneration for activities outside of an employee's normal duties, which increases the employee's total compensation to a level that exceeds 100% of their base salary in any given fiscal year. Extra compensation does not include stipends, bonuses, incentive awards, temporary pay increases or other compensation for duties that do not increase the employee's base salary in any given fiscal year.

**Key personnel:** All personnel identified as principal investigators, project directors, activity directors who supervise and have budgetary responsibility for managing a grant-funded project.

**Stipends:** Stipends are payments to individuals, fellows, participants or trainees under fellowships or training grants.

**Summer Session:** The summer session is the period between the end of the academic year and the beginning of the new academic year as defined by the academic calendar.

#### Part VII.

#### REGULATORY COMPLIANCE

This policy complies with the U.S. Office of Management and Budget ("OMB") 2 CFR 200, Section 200.430 (h) which addresses the issue of extra compensation for federal grants and contracts.