

# APPALACHIAN STATE UNIVERSITY POLICY ON SUPPLEMENTAL COMPENSATION FOR PROFESSIONAL SERVICES TO THE UNIVERSITY

*(As approved by the Board of Trustees on June 2, 2006)  
Revised September 1, 2006  
Revised December 5, 2008*

## I. Scope

This policy applies to supplemental compensation paid to Appalachian State University faculty and staff through the University Payroll Office. This policy is not intended to modify any of the existing policies or procedures governing the administration of University salaries or payments for external consulting (see Policy on External Professional Activities for Pay).

## II. Definitions

For the purposes of this policy, the following definitions apply:

**Contract Period.** For nine-month faculty the contract period is generally from August 15 through May 15. The specific dates of the contract period in any one case are based on the faculty member's employment contract.

**Outside-the-contract Period.** For nine-month faculty this period is generally from May 16 through August 14. The specific dates of the time outside-the-contract period in any one case are based on the faculty member's employment contract.

**Base Salary.** The annual permanent salary of the employee as it appears in the employment contract of the employee or subsequent letters of notice of salary increase/decrease. The base salary includes any supplemental administrative stipends extending for one year or more, but does not include temporary payments for a period of less than one year.

**9-Month Equivalent Salary.** For faculty, this is the portion of the base salary less any continuing supplemental administrative stipends built into the base salary. For 12-month EPA employees, the 9-month equivalent salary is calculated as 9/11<sup>th</sup> of the base salary. For 10-month EPA employees, the ratio is 9/10<sup>th</sup> of the base salary.

**Supplemental Compensation.** For faculty, all extra compensation paid through the University Payroll Office beyond the 9-month equivalent salary, regardless of funding source. This includes, but is not limited to, activities such as conducting seminars, workshops, and training; teaching distance education courses; dual employment payments from other state agencies; internal grant stipends; administrative stipends; external grant and contract stipends and teaching summer courses.

## III. General Policy

For a full-time member of the faculty or EPA staff, the salary approved by the Chancellor, Board of Trustees, or Board of Governors is the base salary to be paid during the contract period. No additional compensation may be paid for University duties that are generally related to the position to which the individual is appointed during the Contract Period. No Senior Academic and Administrative Officer (see UNC Policy Manual Section 300.1.1, I-A) may be paid, in addition to

his or her salary, for any services rendered to any institution-related foundation, endowment, or other entity that (a) was established by officers of the University, (b) is controlled by the University, or (c) is tax-exempt based on being a support organization for the University.

With appropriate approvals, full-time members of the faculty or EPA staff may receive additional compensation for extra duties, as long as these extra services do not cause a conflict of commitment with the primary employment position of the employee. A maximum commitment of time of 120% is allowed and supplemental compensation from all sources may total no more than 20% of the 9-month equivalent salary during the contract period. For EPA staff and faculty, all supplemental compensation received outside-the-contract period may total no more than 38.4% of the 9-month equivalent salary.

## **IV. Specific Policies**

### **A. Administrative Stipends**

Administrative stipends for faculty and EPA staff that are included as part of the base salary will count as part of the limited supplemental compensation associated with the outside-the-contract period specified in the General Policy.

### **B. Dual Employment**

Dual employment occurs when a University employee agrees to perform services for another state agency on a part-time or contractual basis. Approval must be obtained from the supervisor of the primary employment position before the service is provided in order to ascertain whether the obligation will interfere with the job duties and commitments of the primary position. If approved, all payments to the employee must be sent (along with Form CP-30) from the borrowing agency to the University and paid through the University payroll. Payments of this type are counted as part of supplemental compensation.

### **C. Overload Instruction**

In general, faculty should not be paid extra for teaching credit courses in addition to their normal course load. Instead, other arrangements may be made, such as a corresponding course reduction in the following semester. With approval of the chair and dean, overload pay may be approved for faculty that agree to teach additional credit courses beyond the departmental standard load if it does not cause a conflict of commitment with the other duties of the faculty member. There is a one course per semester limit on this type of payment and the stipend will be limited to the standard contract amount offered to part-time faculty based on a pay schedule maintained by the Office of Academic Affairs. The current rates are as follows:

<u>Highest Degree</u>	<u>Rate/Credit Hour</u>	<u>9-Month Equivalent Salary</u>
Bachelor	\$ 900	\$ 33,750
Master	\$ 1,012	\$ 37,950
Doctorate/Terminal	\$ 1,125	\$ 42,188

### **D. Distance Education Instruction**

Supplemental compensation for teaching distance education courses for credit is limited to additional travel-related duties and time commitment associated with instructing students at a remote location and not for duties that a faculty member would typically provide for courses

offered on campus. This additional compensation applies to both in-load and overload courses, but will not be provided for distance education courses when there are equivalent campus courses that inherently involve travel for which additional compensation is not awarded to faculty. Examples of courses in which travel is required but no supplemental compensation is offered include internships, student teaching, study abroad or other field-based courses. This policy does not apply to on-line courses offered on the Boone campus. Additional compensation applies for courses taught on an overload basis as per the guidelines for overload instruction.

For courses that are taught on-line with minimal face-to-face interaction, the compensation will be 5% of the faculty member's 9-month equivalent salary. For the purpose of this policy, a course will be considered on-line if the face-to-face interaction within the course consists of no more than 10% of the contact time normally associated with the course if it was delivered in a face-to-face manner. This category excludes courses that are delivered through synchronous electronic delivery methods, such as NCIH.

For all other distance education courses that qualify for compensation, the compensation offered per course is a specified percentage of the faculty member's 9-month equivalent salary based on the distance of the remote location from Boone as outlined in the table below.

<u>Distance to Remote Location</u>	<u>Percentage of 9-Month Equivalent Salary</u>
Under 20 miles	0%
20 – 40 miles	2%
41 – 60 miles	3.5%
Over 60 miles	4.5%

#### **E. Summer Instruction**

Faculty will be contracted at a rate of 2 2/3% of their 9-month equivalent salary per credit hour of instruction. Excluding internship supervision, revenue-generated courses, or other non-typical course offerings, faculty will be compensated at no less than the minimum rate applied to part-time faculty during the academic year. For distance education courses taught in the summer, additional compensation associated with travel-related duties and time commitment applies as per the guidelines specified in the Distance Education Instruction section.

#### **F. Teaching Continuing Education Programs**

Faculty may be approved by their chair and dean for supplemental compensation for teaching non-credit programs offered through the Division of Continuing Education or some other University unit as long as such work does not cause a conflict of commitment with their regular job duties. Compensation rates are generally dependent on generation of program revenue. For EPA employees, compensation limits from the General Policy will apply.

#### **G. Teaching by SPA or EPA Staff**

Non-teaching staff, both EPA and SPA, whose duties are tied to the normal workweek schedule of the University, may be allowed, subject to advance approval by the appropriate supervisor, to take on a University teaching responsibility for supplemental compensation. A staff member's primary employment responsibilities take priority over any additional part-time teaching assignments. Generally, this teaching responsibility must be entirely carried out during times other than the normal working hours established for the full-time employment responsibility.

However, in extraordinary circumstances, when the teaching responsibility must take place during the course of the employee's normal working hours, such exceptions must be approved in advance by the appropriate vice chancellor. If the arrangement is approved, an alternate work schedule must be approved and forwarded with the appropriate assignment documentation for inclusion in the employee's official personnel record (EPA to Division Vice Chancellor, SPA to Human Resources). The vice chancellor must review and recertify such arrangements annually, and, if necessary, coordinate for continued concurrence with the appropriate supervisor. Otherwise, the employee may not receive supplemental pay for the teaching assignment. For EPA employees, compensation limits from the General Policy will apply.

#### **H. Compensation for Non-teaching Activities by SPA or EPA Staff**

For non-teaching EPA and SPA staff, additional activities for supplemental pay may be permitted, with the supervisor's approval, but must not interfere with the staff member's normal duties, must be outside the scope of the employee's normal job responsibilities, and must be carried out during times other than the normal working hours established for the full-time employment responsibility of that staff member.

However, in extraordinary circumstances, when the additional activities for pay must take place during the course of the employee's normal working hours, such exceptions must be approved in advance by the appropriate vice chancellor. If the arrangement is approved, an alternate work schedule must be approved and forwarded with the appropriate assignment documentation for inclusion in the employee's official personnel record (EPA to Division Vice Chancellor, SPA to Human Resources). The vice chancellor must review and recertify such arrangements annually, and, if necessary, coordinate for continued concurrence with the appropriate supervisor. Otherwise, the employee may not receive supplemental pay for the non-teaching activity.

For EPA employees, compensation limits from the General Policy will apply. For those SPA employees exempt from the overtime provisions, a revised monthly salary or a lump sum payment must be agreed upon. SPA employees subject to the overtime provisions must be paid on the basis of the combined number of hours worked during a workweek. Such payment must be in accordance with the minimum wage and overtime provisions and be based upon the appropriate rate(s) of pay for the work being done.

#### **I. Compensation from External and Internal Grants**

For 9-month faculty, supplemental compensation may be earned outside-the-contract period for University-sponsored research that is externally funded by a governmental agency as approved by the department chair, dean, and the Office of Research and Sponsored Programs. The maximum payment is 38.4% of the base salary or 120% of time, unless otherwise limited by the sponsor. In the case of a federal grant or contract, the rate of pay for supplemental compensation outside-the-contract period must be the same as the base rate of pay for the contract assignment. This policy is intended to comply with applicable federal and state restrictions on level of effort. Federal restrictions permit up to 33.3% outside-the-contract period and no more than 100% of total compensated effort during the contract period.

Government sponsors usually do not permit compensation beyond the base rate of pay during the contract period. As a general rule, faculty members (9 and 12 months) involved in government-funded research during the contract period should have their other assigned responsibilities reduced through a "released time" arrangement. For non-government sponsors, additional compensation can be paid during the contract period if permitted by the sponsor and approved by the chair and dean. The maximum supplemental compensation allowed during the contract period is 20% of the 9-month equivalent salary.

For internal grants, the maximum supplemental compensation allowed during the contract period is 20% of the 9-month equivalent salary. Outside-the-contract period, the maximum

supplemental compensation allowed is 38.4% of the 9-month equivalent salary. Please note the General Policy may limit compensation further for external and internal grants due to other forms of additional compensation received by the employee.

## **V. Procedures for Payment of Supplemental Compensation**

### **A. Timing of Requests**

Proposals for activities involving payment of supplemental compensation must be approved by the chair or immediate supervisor of the employee in advance of initiation of the work. As proposals are reviewed and approved, an individual's total time commitments on institutional as well as external professional activities (e.g., outside consulting) will be considered. The chair or immediate supervisor is responsible for ensuring time and compensation limits specified in the General Policy are enforced.

### **B. Duration**

No work assignment that results in supplemental compensation may exceed one year; provided, however, that any such additional work assignment may be extended or renewed on a case-by-case basis. Requests for payments must specify the time period for which the person is receiving compensation and the time period must be wholly contained within a contract period or outside a contract period.

### **C. Approvals**

If the employee receiving supplemental compensation is in a different department/unit from the requestor of the work or assignment, the department chair/supervisor of the employee should be consulted for approval in order to consider such issues as work-load management and adherence to the General Policy concerning limits on time and compensation.

Requests for payments of supplemental compensation must be approved by the department chair/supervisor and the dean/unit head of the employee as well as the appropriate supervisors from whom the payments are requested.

For SPA employees, all documentation must be reviewed by Human Resources for compliance reasons prior to the commencement of paid activities and such documentation shall be retained in the employee's personnel files.

### **D. Method of Payment and Deductions**

Payment of supplemental compensation will be processed as additional pay to employees (and not as payments to independent contractors) through the ASU payroll area and will have federal/state taxes and other appropriate deductions withheld. Payments will be identified as supplemental compensation above the amount paid as the base salary