


<p>Name of Policy: Extra Compensation Policy</p> <p>Policy Number:</p> <p>Issuing Authority: SUS Board of Supervisors</p> <p>Initial Effective Date:</p> <p>Revision Date:</p>	 <p>SOUTHERN UNIVERSITY SYSTEM POLICIES AND PROCEDURES</p>
<p><input type="checkbox"/> New Policy Proposal</p> <p><input type="checkbox"/> Major revision of existing policy</p>	<p><input checked="" type="checkbox"/> Minor revision to existing policy</p> <p><input type="checkbox"/> Reaffirmation of existing policy</p>

I. Policy Statement

This policy outlines procedures and establishes guidelines for determining the circumstances under which extra compensation is payable to faculty and/or staff for rendering services in excess of their normal workload, duties and/or responsibilities, including employment situations where release time is required for an employee who is approved to work on a sponsored project by an awarding or sponsoring agency which has entered into a sponsored agreement with one of the respective five (5) campuses within the Southern University System (hereinafter referred to as the "SUS").

II. Preamble

Administrators, faculty and professional staff with full-time employment in the SUS are accountable to the institution for 100 percent of the duties associated with their basic appointments. These professionals are committed to participation in a multitude of related activities including teaching, research, creative endeavors, university public service, and administrative duties. Their performance is measured based on their contributions to these activities, and they are free to determine the allocation of their time as long as no responsibility is diminished. Unlike classified employees, for whom overtime pay is required, there are no work hour limitations for SUS administrators, faculty and professional staff.

Time is a variable that must be applied to the accomplishment of tasks associated with the successful performance of a variety of regular duties. Employment contracts for administrators, faculty, and professional staff are duty-based, not time-based. Full compensation for the performance of all regular duties is stipulated in the professional employee's basic appointment. Compensation over and above the employee's institutional base salary, for a given base salary period regardless of the source of funds (sponsored or non-sponsored), is not allowed for performance of regularly contracted duties.

In certain situations, however, compensation in excess of the institutional base salary may be justified. It is the purpose of this policy to define extra compensation as it relates to various personnel and situations, and to establish the review criteria and procedure for the payment of such compensation, regardless of the source of funds. Extra compensation paid under these circumstances must be specifically provided for in the agreement or approved in writing by the sponsoring agency and appropriate SUS officials. The policy applies to all administrators, faculty and staff in the SUS and shall be incorporated in the published policies for each of the respective five (5) campuses.

III. Objectives

The SUS's Extra Compensation Policy is designed to fulfill the following objectives throughout its five (5) respective campuses as they each develop and implement this policy in compliance with applicable state and federal guidelines:

- To assist in a system-wide interpretation and implementation of extra compensation for overload responsibilities and prevent over compensation on contract and grant project accounts;
- To minimize the use of extra compensation in light of the fact that the responsibilities of faculty and staff employed by the SUS already have a full-time commitment to the institution's balanced program of teaching, research, extension, and service;
- To regulate unanticipated activities which do not become part of a regular load;
- To establish a means by which systemic and uniform authorization is received for activities requiring extra compensation and to establish procedures to monitor the time commitment required to perform the extra work; and
- To allow for the creation of some flexibility in making program modifications after normal planning processes have been completed.

IV. Definitions

The following definitions shall apply throughout the SUS's Extra Compensation Policy:

- A. **Academic Year**—the nine (9) month period covering the Fall and Spring Semesters.
- B. **Administrative Duties**—those duties involving the responsibility for administering the University and its ancillary units at all levels.
- C. **Administrative Personnel**—those persons who are charged with administering the University and its ancillary units at all levels. This classification includes Chancellors, Vice Chancellors, Deans, Departmental Chairpersons and certain Managers and Directors.
- D. **Appointment**—the designation by the University of the position, rank, and salary of an employee.
- E. **Assistant Professor**—one who has been awarded the rank of Assistant Professor at one of the respective five (5) campuses by the Southern University System Board of Supervisors and is engaged in professional work related to the instructional, research, extension or public service functions of the University.
- F. **Associate Professor**—one who has been awarded the rank of Associate Professor at one of the respective five (5) campuses by the Southern University System Board of Supervisors and is engaged in professional work related to the instructional, research, extension, or public service functions of the University.
- G. **Classified/Civil Service Employee (full or part-time)**—personnel with employment and related compensation governed by the Louisiana Civil Service laws and regulations which have to be followed for the assignment of extra-work (i.e. overtime) and for the compensation of same. The Director of the Personnel Office or his/her designee is responsible for ensuring consistent and uniform compliance with Civil Service laws and regulations.
- H. **Continuing Education**—a program designed to allow for special courses to be offered in the evenings and on weekends in certain Southern University Centers located in various parishes throughout the State.
- I. **Department**—a department is a functional and administrative unit, generally led by a chairperson or a director. A typical department is an academic department (i.e. Department of Physics, Department of English, etc). For the purpose of this document, functional and administrative units like centers and institutes, that are generally led by a director, are also considered to be departments.

J. Extra Compensation—salary or compensation earned by an employee, and paid from a SUS source, for the performance of extra-work as defined below. Explicitly, excluded from this definition are earnings, that may be paid to an employee from an SUS source, and from the following:

- (1) Patent, copyright, licensing right, or royalty as stipulated by RS 42:1123 (9)(a);
- (2) Supplements to salary usually paid from private funds for which retirement contributions may not be payable, monetary awards pursuant to the annual employee recognition/excellence awards from the SUS fall in this category;
- (3) One-time supplements to salary as dictated by General Circular #1189 approved by the Louisiana Civil Service Commission (i.e. the one time 4.176% salary not to exceed \$1002.24 paid to eligible SUS employees); or that
- (4) Fall in an exceptional category, partly specified by a grant or contract instrument, where the nature or site of performance of a sponsored work may lead to payments, to an employee from SUS sources, that are not comparable to the regular SUS salaries and that generally are governed by special instruments. Exceptional categories currently known include long time (usually a month or more) of physics research in Antarctica or international project execution overseas. In these cases, affected employees are generally placed on a leave of absence—relative to their regular employment which would allow them to enter into another employment or contractual agreement with the SUS, however their salary rate would be unrelated to the Regular Salary Rate (RSR) defined below for which other payments (stipends, fees) may be paid for hardship, housing assistance, etc.

K. Extra Work—work assigned to (or duties and responsibilities assumed by) an employee and that is unrelated to, or independent of, and in excess of his/her normal workload (nature, quantity, separate operation, remote site of execution, etc.) as specified in the basic employment contract or agreement with the SUS.

L. Faculty Personnel (full or part-time)—are those persons directly associated with the educational processes serving as an instructor, a teacher, a researcher or an associate. For the purpose of this document, deans, directors, and other administrators with faculty appointments and ranks, will be considered as full-

time unclassified employees as long as less than 50% of their work or specific duties and responsibilities are devoted to actual research and teaching.

- M. Fiscal Year**—the twelve (12) month period from July 1 of a year to June 30 of the following consecutive year; a continuous twelve (12) month period (with about 365 consecutive days).
- N. Fringe Benefits**—employment benefits made available to employees through the SUS that are considered to be of particular interest and benefit to its employees. These benefits include retirement, group insurance, sick leave, annual leave, workman's compensation, unemployment compensation, etc.
- O. Full-time Workload (Classified and Unclassified)**—a full-time workload is forty (40) hours per week for full time employees. However, there is no requirement for academic personnel (instructors, teachers, assistants, associates, and full professors) to be physically present in their classrooms, laboratories, or offices when their duties are performed for a period of forty (40) hours per week.
- P. Graduate Teaching**—teaching of courses as outlined in the Graduate curricula where applicable throughout the respective (5) campuses within the SUS.
- Q. Institutional Base Salary (IBS)**—is the total salary amount to be paid to an employee over the applicable base salary period for a particular fiscal year, and may be referred to as "base salary".
- R. Institutional Base Salary (IBS) Period**—the period of time during which an employee is under contractual obligation to the SUS and for which that employee receives a stipulated salary for the particular fiscal year. For the purposes of calculating faculty salary rates, the base salary period is nine (9) months, even though the actual number of days of contractual obligation may vary each year. For professional staff, the base salary period is the full twelve (12) months of the fiscal year.
- S. Instructor**—one who has been awarded the rank of Instructor at one of the respective five (5) campuses by the Southern University System Board of Supervisors and is engaged in professional work related to the instructional, research, extension or public service functions of the University.
- T. Organized Research**—systematic planning and investigation by an individual or by the united efforts of a group of University employees.

- U. Professor**— one who has been awarded the rank of Professor at one of the respective five (5) campuses by the Southern University System Board of Supervisors and is engaged in professional work relative to the instructional, research, extension or public service functions of the University.
- V. Regular Salary Rate (RSR)**—the amount of compensation paid to an employee per unit time (i.e. month) and that is based solely on the compensation in the basic contract or employment agreement between that employee and his/her respective campus. For a one month period, this rate will be computed as 1/9th of the nine(9) month academic year salary for faculty members and 1/12th of the fiscal year salary for employees whose employment contracts or agreements cover a twelve (12) month period. Regular hourly compensation rates shall be based on 1560 hours for nine (9) month employees and 2080 hours for twelve (12) month employees.
- W. Research Activities**—those activities engaged in or by an employee for the primary purpose of investigating or experimenting, aimed at the discovery of new knowledge, the interpretation of facts, the practical application of new or revised facts and the opportunity to be creative and to stay abreast in the employees' field or discipline.
- X. Research Agreement**—an agreement between the University and a funding agency for the purpose of supporting research and research related activities during a designated time period. The basic instrument for a research agreement includes a grant, a contract, a cooperative agreement or other similarly related documents.
- Y. Research Professor**—a person holding the rank of Professor or other recognized rank at one of the respective five (5) campuses within the SUS whose duties and responsibilities are devoted primarily to research and related activities.
- Z. Salary**—fixed compensation paid to employees for services rendered to the SUS.
- AA. Sponsored Project Agreement**—an agreement between the University and a funding agency for the purpose of supporting a project and related activities during a designated time period. The basic instrument for a sponsored project agreement may include a grant, a contract, a cooperative agreement or other similarly related documents. Typical types of projects include research, instructional, training, outreach, or service projects.

- BB. Sponsored Project/Program**—a project/program whose implementation is paid for, entirely or in part by funds awarded to one of the respective five (5) campuses within the SUS from public (federal, state or city) and/or private (industry, private foundation, etc.) sources. Externally funded research or instructional projects are typical sponsored projects.
- CC. Sponsored Project/Program Instrument**—a sponsored project or program instrument is the complete collection of all written agreements between one of the respective five (5) campuses within the SUS and an awarding or funding agency relative to a project. It includes the approved proposal and its budget, the award agreement (contract, grant, cooperative agreement, etc.) and any subsequent written agreement pertaining to that project or program between the funding agency and one of the respective five (5) campuses within the SUS.
- DD. Tenure**—the expectation of continuing employment in a position of a faculty person. It is a means to certain ends, specifically: (1) freedom of teaching and research and of extramural activities and (2) a sufficient degree of economic security to make the profession attractive to men and women of ability. Tenure provides the traditional protection against unwarranted dismissal of teachers or faculty persons.
- EE. Total Allowable Compensation**—the total amount of compensation which can be earned by an employee, from campus sources, and is defined as the sum of the regular compensation possible, pursuant to the regular (or base) employment of that employee over a twelve (12) month period, and of the *maximum extra-compensation* that employee can earn over the same twelve (12) month period. This period is ordinarily defined from July 1 of a year to June 30 of the following year. Excluded from this definition of "total allowable compensation" are earnings that fall in one of the four exceptions delineated above in the definition of extra compensation.
- FF. Unclassified Employees**—are those persons whose employment appointments are at the pleasure of the Southern University System Board of Supervisors and those persons who are appointed at the University to the faculty with academic rank.
- GG. Undergraduate Teaching**—teaching of courses outlined in the undergraduate curricula where applicable throughout the respective (5) campuses within the SUS.

V. **Authority**

The SUS Board of Supervisors' policies and guidelines approved by the Office of the President state that administrators, faculty and professional staff members may receive additional compensation for activities beyond traditional expectations, including federally-funded research, provided the payments are consistent with federal rules and regulations. Specifically, the applicable federal regulations concerning payments of additional compensation to faculty members, whether during the academic year or the summer for work performed on sponsored programs, including federal flow-through awards to the institution from non-federal sponsors, are set out in Section J.10.d of the U.S. Office of Management and Budget Circular A-21: *Principles for Educational Institutions*.

Federal rules and regulations including OMB Circular A-21 and the National Institute of Health (NIH) Grants Policy Statement do not allow for an individual's institutional base salary to be increased as a result of obtaining grant funding. These federal rules and regulations also restrict the payment of overload, bonus or other payments outside the individual's institutional base salary.

In accordance with SUS regulations, payment of extra compensation from federal and/or state funded contracts and grants as governed by OMB Circular A-21 allows for such payments when all of the following conditions are met:

1. The work performed must be in addition to the faculty member's regular departmental load;
and
2. One of two circumstances must exist:
 - a. The consultation is across departmental lines; or
 - b. The work involves a separate or remote operation**and**
3. The work performed cannot conflict with the faculty member's regular University duties and assignments.
and
4. The consulting arrangement that specifies the activities and individuals for which extra compensation may be paid is specifically provided for in the written agreement with the sponsoring federal agency or otherwise approved in writing by an authorized representative of the sponsoring federal agency. (Obtaining this approval may prove challenging in the case of federal flow-through grants from non-federal agencies, but

SUS
Extra Compensation Policy
Page—9

federal approval is required nonetheless.) If not specifically and explicitly provided for in the approved budget, this approval should be requested as soon as practical after receipt of the award, and before any work is done on an extra compensation basis.

The rules are not applicable to summer salary for nine (9) month faculty. See OBM Circular A-21 §J10(2)(a). Research compensation during the summer months or other periods not included in the base salary period is to be calculated for each faculty member at a rate not in excess of the base salary divided by the period to which the base salary relates.

VI. Approval Process

- A.** If the prospective consultant, a university employee, determines that he/she is eligible for extra compensation, a request (with prior extra compensation documentation for the fiscal year) should be made to the head of the unit who will apply the Priority Ordering Test (POT—see attached form). This should also be done for new proposals being submitted to funding agencies.
- B.** If it is determined by the unit head that the request passes the POT, then a request should be made by the unit head to the Dean or Divisional Chair of the respective college or academic division. If the Dean or Divisional Chair approves the request, it is forwarded to the Office of Sponsored Programs (OSP) or authorized campus officer for approval and then to the Vice Chancellor—Office of Research and Strategic Initiatives (VC-ORSI) or authorized campus officer who will review the request and justifications, including the interdisciplinary nature of the project and approve or disapprove said request. For new proposals with extra work and/or extra compensation, it must be stated explicitly in: (a) the proposal routing cover, and (b) the budget figures and explanation sections. The ORSI, authorized officer or designated campus office will check proposals to make sure that these provisions are appropriately stated and that the POT requirements have been met as evidenced by a transmittal letter from the Dean/Divisional Chair to the ORSI, authorized or designated campus office requesting approval of the proposed work.
- C.** Approval of the request by the authorized officer, Vice Chancellor, (ORSI) or designated campus office should precede the initiation of a *personnel action form (PAF)* which must be approved by the Personnel Office and the Chancellor.

The main difference between these PAFs (involving extra work) and other regular PAFs is that the expression "extra-work assignment for extra compensation" will be the required first terms in the "comments" Section of any PAF that entails extra compensation for extra work. The head of the budget unit where such a PAF is to be initiated is responsible for ensuring that this information is provided and that appropriate approvals have been obtained.

VII. Monitoring and Reporting

- A. A **unit head** should maintain a log of all faculty or personnel receiving extra compensation in his/her area and submit same as part of the annual report from that unit.
- B. For each PAF that entails an extra work assignment for extra compensation, the responsibility for verifying that extra compensation is allowable, as per the instrument of a sponsored project, if any is involved, primarily rests with the Office of Sponsored Programs (OSP) or designated campus office who normally receives the award letter and/or the Comptroller's Office, through an accountant/analyst who is in charge of the applicable sponsored project. *As a rule, an extra work assignment involving a sponsored project has to be allowable as per the award instrument, before approval is granted.* The sponsored project instrument to be reviewed includes the approved proposal and budget for the applicable sponsored project, the award letter (or contract, agreement, etc.) and accompanying regulations or documents, and any subsequent written agreement between the respective campus and the funding organization.
- C. The office in charge of the computerized PAF tracking system at the campus level (including Personnel and Budget Offices) will track the instances of extra work assigned and the amounts of extra compensation paid to an employee. The resulting data, *to be compiled by the Personnel Office in an annual report*, will allow not only the documentation of compliance with the limits and rates of extra compensation but also will assist the University in avoiding routing involvement in extra work by any employee, from one year to the next, beyond that which is permitted by this Plan or by Act No. 229 of 1987. Similar data will be collected by the Personnel Office pursuant to the implementation of Act 229 of 1987, even though some instances of this implementation may be unrelated to extra work and extra compensation as defined here.

VIII. Employee Eligibilities

- A. Classified Employees:** Personnel with employment and related compensation governed by the Louisiana Civil Service laws and regulations will have to follow Civil Service regulations for the assignment of extra work (i.e. overtime) and for the compensation of same. The Director of Personnel or his/her designee is responsible for ensuring consistent and uniform compliance with Civil Service regulations.
- B. Unclassified Employees:** Typically, extra compensation is earned by an unclassified employee from departments other than his/her department (i.e. in cases across departmental lines). The home department is generally the department where (or for which) over 50% of the employee's regular work is to be performed as per the basic employment contract or agreement. Extra work for extra compensation may include instruction, research, or public service activities which are generally short term in nature. On an incidental basis, as opposed to a routine practice, the home department of a given faculty member may assign him/her extra teaching for extra compensation if (a) such extra compensation entails no externally sponsored funding or (b) the extra work assignment involves "a separate or remote operation."

Extra compensation for instruction may include teaching courses for college credit (i.e. evening school/ continuing education courses), reviewing or administering examinations or tests (i.e. CPA/GRE), serving as supervisory teachers or grading independent study courses. Extra compensation assignments may also include special teaching assignments in other non-credit courses (i.e. short courses, Summer Science Institute or Engineering Summer Institute courses).

Faculty personnel are generally given *release time* for the execution of sponsored projects (i.e. research, instruction, public service, etc.). Extra compensation will generally not be allowed for any employee that is on released time unless dictated by special circumstances. Special circumstances can be invoked only when the extra work is to be necessarily performed after 5:00 P.M. and before 8:00 A.M. (on regular work days) and on weekends and holidays. Typical situations where these circumstances can be invoked include after five (5) teaching or tutoring, Saturday teaching or workshops as in Saturday Academies, two or more hours of required monitoring of an experimental setup or sample on weekends and holidays.

SUS
Extra Compensation Policy
Page—12

Additional specific requirements, aimed at avoiding double compensation for essentially the same work, are delineated below for different groups of employees. These groups are distinct by the length and nature of their employment.

1. Full Time Faculty Personnel (Unclassified):

For a full time faculty member, not on release time, extra work may be assigned and extra compensation may be paid in accordance with this policy.

Whenever a full time faculty member *on release time* is to be assigned extra work for extra compensation, not only the above noted justifications must be made before approval, but also the extra work and the release time work must be properly documented [including location, date, time of performance, tasks accomplished and signatures]. This documentation, for a given month, will be attached to the payroll for the payments to the affected employees for the extra work for the release time work.

2. Full Time (Twelve Month) Unclassified Employees:

Full time fiscal year employees may earn extra compensation. However, if the extra work to be performed falls within the employee's normal work week (8:00 A.M. to 5:00 P.M. Monday through Friday), then the employee must be charged annual leave or leave without pay for the period of the activity. If the employee works a non-standard work week, this must be documented with the respective campus Personnel Office in advance of any extra work assignment. *Deans, Directors and other administrators, 50% of whose regular work or duties and responsibilities does not consist of actual research and teaching, will be considered "full time fiscal year employees" for the purpose of this document.* If and when a dean or administrator resigns from her/his administrative position, the faculty member's status, if any, will prevail for the purpose of this document. This disposition is dictated by OMB Circular A-21 that requires assessment and evaluation, for the purpose of extra compensation, to take into account the actual job description that is applicable at the time of performance of the extra work.

3. Other Full Time and Unclassified Employees:

Employees whose regular appointments are on nine (9) or ten (10) month fiscal basis may also be assigned extra work and may be paid extra compensation. Any such assignment will follow the policy outlined above for twelve (12) month, unclassified employees. The rate of compensation for such extra work will not exceed the respective salary rates for the regular nine (9) or ten (10) month employment for that employee.

Assignments of work to such employees, outside their regular nine (9) or ten (10) month employment period, may not constitute extra work for extra compensation if these assignments are respectively limited to three (3) or two (2) month period not covered by their regular employment and if no compensation beyond the regular rate defined above is involved. The latter assignments are simply "continuations" or "extensions" of employment beyond the regular "nine (9) or ten (10)" employment period. This situation is similar to the employment of faculty members, with nine (9) month academic year appointments, during summer periods not covered by their contracts and where the compensation rate does not exceed the regular academic year salary rate.

4. Part-Time Employees:

Extra compensation may be paid to part-time employees for short term or intermittent services. If the additional duties are recurring, the part time employee should be compensated by appropriately increasing the percentage of effort and/or budgetary cross charge, if feasible.

IX. Applicable Rates

Pursuant to the OMB Circular A-21, the rate at which an unclassified employee is compensated for extra work cannot exceed the regular salary rate or compensation rate (RSR or RCR) for that employee for the period of performance of the extra work. If the regular salary rate of an employee changes during the period of execution of an assigned extra work, the rate for extra compensation may be charged in such a way that it does not exceed, for any given time period, the regular rate of compensation for that time period. The monthly regular salary rate of a faculty member whose contract covers the nine (9) month period of the academic year is simply his/her academic year salary divided by nine (9).

SUS
Extra Compensation Policy
Page—14

The total amount of extra compensation earnings from SUS sources, in a *given, continuous twelve (12) month period*, cannot exceed the following limitations. The formulas for calculating individual extra compensation earning limits are shown below:

Academic Year (AY) Employees, Faculty Members (unclassified): the maximum extra compensation within a continuous, 12 month period is <AY Salary x 0.20.

Academic year (AY) salary is the nine (9) month compensation specified in the employment contract or agreement. The above limit for allowable extra compensation in a given, continuous twelve (12) month period (i.e. a fiscal year) is 20% of the possible nine (9) month salary computed at the rate applicable for the nine (9) month basic employment period.

Fiscal (FY twelve (12) months) Employees (unclassified): the maximum extra compensation within a continuous, 12 month period is:

<Regular FY Salary> X 0.20

The regular fiscal year (FY) salary of an unclassified twelve (12) month employee is the salary specified in the employment contract or agreement for the period spanning July 1 of a given year to June 30 of the following year. This limit for a twelve (12) month employee is 20% of the employee's regular twelve (12) month (FY) salary.

If the employee's salary changes during the fiscal year, the allowable limit of extra compensation is adjusted accordingly in such a manner that the rate of compensation for a given time period does not exceed the regular salary rate for that period.

For all groups of employees identified above, the maximum amount of extra compensation an employee may earn in a month (i.e. 30 days) is generally his/her regular monthly salary multiplied by 0.20. This represents a 1/5th effort level will generally result in a decrease in the quantity of the regular work. Only in exceptional cases will extra work assignments over 1/5th effort level be approved. *In all cases, however, no more than one half of the maximum allowable extra compensation for a twelve (12) month period may be earned in less than a five-month, continuous time period.*

X. Implementation

- A. Limits of Application to Contract.** Nothing contained in this policy shall be construed as imposing any obligations on faculty members to the SUS beyond those required by law or contract, nor as adding any grounds for termination of a faculty appointment beyond those stipulated in the policies governing faculty appointments, ranks, and tenure, as approved by the Board of Supervisors.
- B. Procedures at Each Campus.** Each campus of the SUS shall develop and publish procedures to implement this policy. Such procedures shall include provisions for regular reporting by faculty members to the SUS on all outside professional consulting or teaching and substantial external professional services, whether paid or unpaid.