

# Supplemental Pay

Policy 602.10

## 1 Purpose

The purpose of this policy is to provide uniform and consistent standards for approving and providing supplemental assignments and compensation to university employees.

## 2 Scope

This policy applies to supplemental compensation paid to Appalachian State University full time faculty, EHRA Non-Faculty and SHRA employees processed 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.

## 3 Definitions

### 3.1 Contract Period

For nine-month faculty, the contract period is generally from mid-August through mid-May as set by the University's academic calendar each academic year. Otherwise, the specific dates of the contract period are based on the employee's employment contract or appointment letter.

### 3.2 Outside-the-Contract Period

For nine-month faculty, outside-the-contract period means the period after completion of the Spring semester until the start of the Fall semester as set by the University's academic calendar. Otherwise, the specific dates of the time outside-the-contract period are based on the employee's employment contract or appointment letter.

### 3.3 Base Salary

The annual permanent salary of the employee as it appears in the employment contract or appointment letter of the employee or as set forth in subsequent letters notifying the employee of a salary increase/decrease.

### 3.4 Supplemental Compensation

Any and all extra compensation paid through University payroll beyond the employee's Base Salary, regardless of funding source. Supplemental Compensation includes, but is not limited to, administrative stipends, distinguished professorship stipends, payments made for activities such as conducting seminars, workshops, and training; dual employment payments from other state agencies; internal grant stipends; external grant and contract payments (sponsored programs); summer teaching payments; overload payments and other teaching stipends.

## 4 Policy Statements

### 4.1 General Policy

4.1.1 For full time faculty members and EHRA Non-Faculty, 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.

4.1.2 Tier I Senior Academic and Administrative Officers ("SAAO") may not be paid any additional compensation beyond their approved annual compensation for any services rendered to any institution-related foundation, endowment, or other entity that was established by officers of the University, that is controlled by the University, or that is tax exempt based on being a support organization for the University.

4.1.3 With appropriate approvals, full-time faculty and EHRA Non-Faculty 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 Base Salary during the contract period. Supplemental Compensation received Outside-the-Contract -Period may not exceed 38.4% of the employee's Base Salary or 33.33% if paid from a Federal sponsored program.

## **4.2 Specific Policies**

**4.2.1 Administrative Stipends for Faculty-** Administrative stipends for faculty are considered Supplemental Compensation and will count toward the limits on Supplemental Compensation provided in section 4.1.3 above.

**4.2.2 Dual Employment-** Dual employment occurs when any University employee agrees to perform services for another state agency, excluding the North Carolina Community College System or K-12 Public Schools, on a parttime or contractual basis. Approval must be obtained from the employee's supervisor and Human Resources before the service is provided in order to ascertain whether the obligation will interfere with the employee's primary job duties and commitments. If approved, all payments to the employee must be sent from the borrowing agency to the University and paid through University Payroll in accordance with the Office of State Human Resources Dual Employment Policy. A Form CP-30 and a Memorandum of Understanding, if applicable, detailing the scope of work will be required for any dual employment. All Dual Employment payments are Supplemental Compensation and will count toward the limits on Supplemental Compensation provided in section 4.1.3 above.

**4.2.3 Overload Instruction-** Where possible, faculty should not be paid extra for teaching credit courses in addition to their normal course load. All efforts should be made by the department to make other arrangements such as providing a corresponding course reduction in the following semester. In the event a course reduction cannot be offered in the following semester, the department chair may seek approval from the dean and the Provost to provide overload pay for the faculty member provided that it does not cause a conflict of commitment with the other duties of the faculty member. Supplemental pay for overload instruction shall not exceed four (4) credit hours per semester and the stipend will be limited to the standard contract amount offered to part-time faculty based on the Academic Affairs Pay Schedule.

### **4.2.4 Instruction at Locations Outside of Boone**

For qualifying in-load courses, supplemental compensation may be provided at a rate outlined in the Academic Affairs Pay Schedule. Percentages are calculated based on the faculty member's Base Salary. If a course is an overload or contracted outside the normal contract period of the faculty member, a stipend is paid in addition to the appropriate overload or summer compensation.

Online courses do not qualify for a separate stipend. Hybrid and face-to-face courses must be taught at a site that is at least 30 miles from the Boone campus or the faculty member's assigned off-campus location to qualify for a stipend. Other courses excluded from the policy include off-campus offerings when there are equivalent campus courses for which travel is an inherent part of instructing the course. Examples may include internships, student teaching, study abroad or other field-based courses. The following off-campus locations are excluded from this section: Blackburn-Vannoy Farm, Dark Sky Observatory, Sofield Facility, and Appalachian Ski Mountain.

### **4.2.5 Summer Instruction**

Faculty will be contracted in accordance with the Academic Affairs Pay Schedule. Excluding internship supervision, revenue-generated courses, or other atypical course offerings, faculty will be compensated at no less than the minimum rate applied to part-time faculty during the academic year.

## **4.3 Teaching by SHRA FLSA Exempt or EHRA Non-Faculty Employees**

**4.3.1** If approved by their supervisor in advance, EHRA Non-Faculty and SHRA that are exempt from the provisions of the Fair Labor Standards Act ("FLSA Exempt") employees may be permitted to teach credit courses for Supplemental Compensation. However, SHRA FLSA Non-Exempt (subject to overtime) employees are not permitted to teach credit courses for Supplemental Compensation.

**4.3.2** SHRA FLSA Exempt or EHRA Non-Faculty employees' primary employment responsibilities take priority over any additional part-time teaching assignments. Unless approved by the appropriate Vice Chancellor or their designee, all additional teaching assignments shall be carried out entirely during times other than the employee's normal working hours.

**4.3.3** SHRA FLSA Exempt or EHRA Non-Faculty employees may only teach during the period of the employees' normal working hours if extraordinary circumstances exist, and the arrangement is approved in advance by the employee's division Vice Chancellor or their designee. To seek approval the employee must work out a proposed alternative work schedule with their supervisor and provide the information to the division Vice Chancellor for approval. All such arrangements must be reviewed annually by the Vice Chancellor who is able to rescind approval at any time based on the business needs of the University, conflicts of commitment, or performance issues. If the advance approval of the Vice Chancellor is not received or is rescinded the employee shall not be permitted to engage in the teaching assignment.

**4.3.4** All payments received by employees for additional part-time teaching assignments under this section will count toward the limits of Supplemental Compensation provided in section 4.1.3 above.

## **4.4 Compensation for Non-teaching Activities by SHRA or EHRA Non-Faculty Employees**

4.4.1 Additional non-teaching activities for Supplemental Compensation are only permitted when approved in advance by the employee's supervisor. These additional activities shall not interfere with the employee's normal duties, must be outside the scope of the employee's normal job responsibilities, and must be carried out outside of the employee's normal working hours.

4.4.2 Employees may only engage in additional non-teaching activities during the period of the employees' normal working hours if extraordinary circumstances exist, and the arrangement is approved in advance by the employee's division Vice Chancellor or their designee. To seek approval the employee must work out a proposed alternative work schedule with their supervisor and provide the information to the division Vice Chancellor for approval. All such arrangements must be reviewed annually by the Vice Chancellor who is able to rescind approval at any time based on the business needs of the University, conflicts of commitment, or performance issues. If the advance approval of the Vice Chancellor is not received or is rescinded the employee shall not be permitted to engage in the non-teaching activity.

4.4.3 SHRA FLSA Non-Exempt employees may only receive Supplemental Compensation under this policy for activities determined to meet the criteria for occasional or sporadic activities under the FLSA. All other hours worked for the University during any workweek must be combined for the purpose of determining overtime eligibility. All payments of overtime must be made in accordance with applicable overtime laws and regulations and must be based upon the appropriate rate(s) of pay for work performed.

## **4.5 Faculty Compensation from External and Internal Grants**

4.5.1 For 9-month faculty, Supplemental Compensation may be earned Outside-the-Contract Period for University-sponsored research and programs that are externally funded by a governmental agency or other sponsor as approved by the department chair, dean, and the Office of Research. The maximum payment is 38.4% of the base salary (33.33% for Federal Programs) or 120% of time, unless otherwise limited by the sponsor.

4.5.2 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% Supplemental Compensation Outside-the-Contract-Period and no more than 100% of total compensated effort during the contract period.

4.5.3 Government sponsors usually do not permit compensation beyond Base Salary during the contract period. As a general rule, full-time faculty members involved in government-funded research during the contract period should have their other assigned responsibilities reduced through a "workload reassignment" arrangement. For nongovernment sponsors, Supplemental Compensation may be paid during the contract period if permitted by the sponsor and approved in advance by the chair and dean. The maximum Supplemental Compensation allowed during the contract period is 20% of the faculty member's Base Salary.

4.5.4 For internal grants, the maximum Supplemental Compensation allowed during the contract period is 20% of the Base Salary. Outside-the-Contract-Period, the maximum Supplemental Compensation allowed is 38.4% of the Base Salary (33.3% for Federal programs).

4.5.5 Supplemental Compensation from external and internal grants may be further limited depending on the amounts of other Supplemental Compensation received by the faculty-member for other activities during the academic year. All Supplemental Compensation combined may not exceed the limits on Supplemental Compensation provided in section 4.1.3 above.

## **4.6 Procedures for Payment of Supplemental Compensation**

### **4.6.1 Timing of Requests**

4.6.1.1 Proposals for activities involving the payment of Supplemental Compensation must be approved in advance of the work being performed by the employees' supervisor. Failure to receive approval in advance shall result in the employee not receiving Supplemental Compensation. For faculty and EHRA Non-faculty employees with teaching responsibilities, it is the responsibility of the employee to ensure a contract is in place prior to beginning work.

4.6.1.2 As proposals are reviewed and approved, an employee's total time commitments on University as well as external professional activities (e.g., outside consulting) will be considered. The employee's supervisor is responsible at all times for ensuring the time and compensation limits specified in this policy are enforced.

### **4.6.2 Duration**

4.6.2.1 No work assignment that results in Supplemental Compensation may exceed one year. Any additional work assignment must be reviewed annually and may be extended or renewed for an additional period of time on a case-by-case basis.

4.6.2.2 Requests for Supplemental Compensation 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-the-Contract-Period.

#### 4.6.3 Approvals

4.6.3.1 Any employee requesting Supplemental Compensation for additional work must receive approval in advance of the work from their supervisor. The employee's supervisor prior to approving any such arrangement shall consider such issues as work-load management and adherence to the limits on time and compensation provided in this policy. In addition, if the employee will be receiving Supplemental Compensation from a department or unit that is not their primary employment department/unit, the request for Supplemental Compensation must also be approved in advance of the work by the department chair/supervisor from whom the payments are requested.

4.6.3.2. All proposals for Supplemental Compensation to SHRA employees to perform work outside their normal duties must be documented and submitted for review and approval by the Office of Human Resources prior to the commencement of the work,

### 4.7 Method of Payment and Deductions

Payment of Supplemental Compensation must be processed as additional pay to employees (and not as payments to independent contractors) through University Payroll. All Supplemental Compensation is subject to all applicable federal/state taxes and other appropriate deductions and such amounts will be withheld. Payments will be identified as Supplemental Compensation above the amount paid as Base Salary.

### 4.8 Calculation for Supplemental Compensation from External and Internal Grants.

Supplemental Compensation from external and internal grants shall be calculated in accordance with the below steps (Note: Amounts for work performed that occurs both during the Contract Period and Out-of-Contract period must be calculated separately):

1. Confirm that work is being performed within the grant period.
2. Confirm the type of grant, federal or federal pass through, state, local, private or internal.
3. Confirm that the work is within the guidelines and budget of the sponsor.
4. Verify the base salary.
5. Identify if the work is being performed in the contract period or out of the contract period,
6. Determine the work period - Identify the dates of work, beginning and end date,
7. Identify the total count of workdays within the work period - Business days in the work period less any days not worked (vacation, time off) = Applicable Days
8. Calculate the daily rate of pay.
  - a. Out of contract 9 month —  $\text{Base Salary} / 195 \text{ (Total Business Days)} = \text{Daily Rate of Pay}$
  - b. Incontract 9 month —  $(\text{Base Salary} / 195 \text{ (Total Business Days)}) * 20\% = \text{Daily Rate of Pay}$ .
  - c. Out of contract 12 month —  $\text{Base Salary} / 260 \text{ (Total Business Days)} = \text{Daily Rate of Pay}$
  - d. Incontract 12 month—  $(\text{Base Salary} / 260 \text{ (Total Business Days)}) * 20\% = \text{Daily Rate of Pay}$ .
9. Calculate the payment -  $\text{Daily Rate of Pay} * \text{Applicable Days} = \text{Amount of Payment}$
10. Verify if the payment plus other payments already received during the fiscal year are within policy limits.

### 4.9 Enforcement

Supplemental Compensation for faculty shall be managed by Academic Affairs. Supplemental Compensation for EHRA Non-faculty and SHRA employees, regardless of their reporting unit, shall be managed by the Office of Human Resources. °

#### Additional References

[UNC Policy 300.2.13, Supplemental Pay Policy for Employees Exempt from the State Personnel Act](#)  
[Federal Fair Labor Standards Act](#)  
Academic Affairs Pay Schedule

## 5 Administrative Unit Contact

Office of Academic Affairs, Chief Financial Officer  
Office of Human Resources

## 6 Original Effective Date

Approved by the Board of Trustees June 2, 2006.

# 7 Revision Dates

September 1, 2006  
December 5, 2008  
March 29, 2019  
October 30, 2023