

JACKSONVILLE STATE UNIVERSITY
Manual of Policies and Procedures

POLICY NUMBER: II:05:02

DATE: July 25, 1988

REVISION/REVIEW DATE: May 1997, Oct 2000, Jan 2004, Jan 2005, Jan 2013

SUBJECT: Consulting and Extra Compensation

APPROVED: William A. Meehan, President

PURPOSE

To establish policy regarding employees earnings compensation in excess of their base annual compensation.

Definition:

Extra compensation is defined as any compensation earned through the institution in excess of an individual employee's base rate of pay. Awards and gifts are excluded from the definition of extra compensation. For any person earning extra compensation the total amount of extra compensation they may earn is limited to their respective annual compensation defined as their gross salary.

General Regulations

Compliance with the policy is the responsibility of the individual seeking extra compensation.

Generally, employee participation in programs and projects administered or conducted by the University and supported by sponsored contracts, grants, fees, or other types of agreements will be considered, under usual circumstances, as a part of the employee's responsibilities to the University, with no increase in the employee's base rate of pay. During time under contract to the University, all employees are expected to fulfill their total University responsibilities. If an employee is participating in an organized program or project of the University, whether or not it is administered in his or her own department or division, an appropriate part of the employee's salary will be charged to the contract, grant, or agreement.

Criteria for Determining When Extra Compensation is Appropriate

The following issues must be considered in determining whether compensation in excess of an individual's base rate of pay is warranted:

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1. The project or program budget includes sufficient funds to cover the cost of the extra compensation, including benefits.
2. The additional duties will not interfere with the individual's existing University responsibilities.
3. Approval is obtained in advance from the sponsor and appropriate University personnel.
4. Premium rates are allowable only when the sponsor has specifically approved them in advance, in writing.
5. Employees must be able to demonstrate on an ongoing basis that activities for which extra compensation is sought do not interfere with teaching, academic advising, service, scholarship, or other University responsibilities. This evaluation will be determined by the respective faculty personnel's supervisor and dean/director on a case-by-case basis in an objective fashion without reservation.

Extra Compensation Form

The "Employee Contract for Extra Compensation" Form ([Form #46](#)) must be completed prior to the beginning of any activity for which the employee will receive extra compensation, and must include all extra compensation activities (excluding summer teaching and course overloads).

The Restricted Funds Accountant shall be responsible for collecting and maintaining Planned/Approved Workload for Extra Compensation Assignments ([Form #45](#)) from all related faculty. Again, all extra compensation activities of the related faculty personnel shall be listed on this form.

Extra Compensation and Federally Funded Activities

Intra-University consulting is assumed to be undertaken as a University obligation requiring no compensation in addition to full-time base salary. No additional compensation is appropriate when faculty members function as consultants or otherwise contribute to a federally-sponsored agreement conducted by a colleague in the institution.

"Buyout" from contracted University responsibilities charged to federally-sponsored activities must be charged at the base rate of pay. The only instance when a "premium rate" may be charged to a federally-sponsored activity occurs when the sponsoring agency specifically approves a "premium rate" in advance, in writing. If obtained from the sponsor, this written record must be attached to the Employee Contract for Extra

Compensation.

Adjunct Faculty

Adjunct faculty may participate in extra compensation activities with the understanding that their teaching responsibilities are primary. Charges for work performed on sponsored agreements by adjunct faculty will be determined at a rate not in excess of that regularly paid for part-time assignments, unless specifically approved by the sponsor in advance, in writing. The amount of time that an adjunct faculty member may devote to sponsored programs or activities will be determined on a case-by-case basis.

Continuing Education

Continuing education activities, which include non-credit course offerings, are not considered part of an individual's normal workload. Therefore, employees will be entitled to extra compensation when they are engaged in continuing education activities.

Non-Exempt Employees Working on Grants/Sponsored Projects

Non-exempt employees working on or assisting with grants or sponsored projects may not charge overtime pay to federal contracts or grants. If a non-exempt employee works more than forty hours in a week, the employee may receive compensatory time or, with prior approval of the vice president, overtime pay. Non-exempt employees are required to report their hours on the bi-weekly payroll report.

Approval Process

When an employee meets the criteria for extra compensation, a request for extra compensation may be submitted through the immediate supervisor, dean/director, and vice president. Requests for extra compensation must be approved in advance. The "Request for Extra Compensation" form ([Form #45](#)) has been designed to summarize all existing demands on the individual's time and to provide the dean / director and vice president with the information necessary to make a professional judgment on the extra compensation request.

DEFINITION OF TERMS

Premium rates - A premium rate of pay is an hourly rate higher than the employees' regular hourly rate of pay. For 12 month employees, the hourly rate is calculated by dividing the annual

salary by 2080; for 9 month employees, by 1560.

Time under contract - This is the time during which a faculty member is under contract, a tenured faculty member is under obligation to the University (teaching classes, office hours, etc.) or a staff member is employed by the University. During this time, all are expected to fulfill their total University responsibilities.

Appropriate Allocation - An allocation of a percentage of the faculty / staff members salary to the grant, contract or agreement under which he/she is working.

Buyout - This is charging a portion of the faculty or staff members' time to a grant, contract, or agreement without additional compensation.

RESPONSIBILITY

The Vice President for Administrative and Business Affairs is responsible for this policy.

EVALUATION

This policy will be evaluated every two years.