OP 70.16: Compensation in Excess of Base Salary

DATE: August 11, 2014

PURPOSE: This Operating Policy/Procedure (OP) defines compensation in excess of base salary and sets forth institutional review and approval requirements for such payments to university employees.

REVIEW: This OP will be reviewed in August of even-numbered years by the managing director of Human Resources, the managing director of the Office of Research Accounting (ORA), and the Office of the Provost with substantive revisions forwarded to the chief of staff for the president and the provost and senior vice president (PSVP).

POLICY/PROCEDURE

1. Policy Statement

All faculty and staff, regardless of funding source, are accountable to Texas Tech University for 100 percent of the duties associated with their basic appointment. Furthermore, the primary responsibility of university employees is the full and complete execution of all assigned duties of their basic appointment. However, in certain situations, compensation in excess of base salary may be permitted for additional duties. It is the policy of Texas Tech University that such compensation complies with applicable federal and state laws and regulations.

Employees who are dually employed with the university and with another state or federal agency must first meet requirements set forth in OP 70.15, Multiple and Other Employment, before additional compensation may be considered.

Exceptions to this policy may be granted by the PSVP or respective vice president for non-sponsored funds only. Under no circumstances can compensation in excess of base salary be paid from sponsored project funds unless all requirements of this policy have been met.

2. Definitions

a. Base Period

The base salary period for staff is the university’s fiscal year (September 1 through August 31). The base salary period for a full-time faculty appointment is the academic year (September 1 through May 31). Summer months are not included in the base period. However, the university may employ faculty members during the summer months for specific teaching, research, or sponsored agreement assignments.
b. Base Salary

Base salary is defined in OP 74.16, Institutional Base Salary. Compensation to faculty for summer assignments must be consistent with the institutional base salary for the base period.

c. Home Department

The home department is the department that appoints the employee on the electronic Personnel Action Form (ePAF) and is responsible for coordinating the employee’s employment if he/she is also employed by another university department.

3. Forms of Extra Compensation

There are three forms of extra compensation: salary for interim duties, additional compensation, and lump sum payment. Each has different requirements and must be processed in a certain way to ensure accurate salary reporting and effort certification.

<table>
<thead>
<tr>
<th>Type</th>
<th>Processing Mechanism</th>
<th>Earn Code</th>
<th>Required Approval (sponsored funds)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Interim Duties</td>
<td>ePAF only</td>
<td>INT</td>
<td>ORA</td>
</tr>
<tr>
<td>Additional Compensation</td>
<td>ePAF (long-term assignment)</td>
<td>ADC</td>
<td>ORA</td>
</tr>
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<td></td>
<td>EOPs (short-term work)</td>
<td></td>
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</tr>
<tr>
<td>Lump Sum Payment</td>
<td>ePAF (long-term assignment)</td>
<td>LSP</td>
<td>ORA</td>
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<td>EOPs (short-term work)</td>
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Note: Faculty appointments to summer months for specific teaching, research, or sponsored project assignments are NOT considered extra compensation. Instead, payments to faculty for the summer months are processed as a regular summer appointment at the base salary rate.

4. Interim Duties

Administrative salary supplements are payments that temporarily augment the base appointment salary (i.e., increase institutional base salary) as a result of a special assignment. When the special assignment ends, the salary reverts to the base appointment salary. Administrative salary supplements are not allowed on sponsored projects or cost share funds.

The following are special assignments for which a salary supplement may be paid:

a. Faculty assume the additional responsibilities associated with being a chair or department head;

b. Exempt staff assume the additional responsibilities associated with filling a vacant position higher than their own on an interim basis for more than one month; or

c. Administrative employees assume the additional responsibilities associated with managing another work unit, in addition to their own, on an interim basis for more than one month.
Note: If a non-exempt employee assumes the responsibilities and functions of an exempt employee, the employee will continue to be considered non-exempt and paid overtime, in accordance with OP 70.17, Overtime.

5. Additional Compensation

Additional compensation is a payment in addition to the base salary for work performed that is (a) in addition to the employee’s regularly assigned duties; and (b) outside the employee’s home department or involves a separate/remote operation. Additional compensation is not included in institutional base salary.

   a. In Addition to Normal Duties

      Additional compensation requests for faculty on sponsored project funds (funds beginning with 21, 22, or 23) and associated cost share funds will be routed through the department chair/director to determine whether the work is above and beyond the faculty member’s normal duties. For all other funds and for exempt staff, the determination is made by the financial manager approving the payment. Additional compensation for faculty and staff must also be approved in advance by either the PSVP or the respective vice president.

      Exempt staff may receive additional compensation for services performed outside their home department, but within the scope of their regular assignments, provided:

      1. The work is being performed for TTUHSC or TTUS;

      2. The performance of such duties requires additional work hours beyond their regular 40-hour assignment; and

      3. The employee is performing 100 percent of her/his regularly assigned duties and responsibilities.

   b. Outside the Home Department

      Work is considered to cross departmental lines if the organization level 5 incurring the additional compensation payment is different from the organization level 5 associated with the employee’s home department. When reviewing requests for additional compensation, Human Resources will verify the work is across departmental lines. Additionally, for sponsored project funds, ORA will confirm the work is across departmental lines.

   c. Additional Requirements for Sponsored Projects

      Additional compensation to be paid to faculty from federal or state sponsored projects (funds beginning with 21 or 22) and associated cost share funds must be specifically provided for in the agreement or approved in writing by the sponsoring agency prior to the commencement of work (excluding federal agencies that have waived pre-approval requirements).

      Additional compensation requests on sponsored project funds are routed through ORA for additional review to ensure compliance with federal regulations, award terms and conditions, and institutional policy.
ORA also completes quarterly compliance reviews for all additional compensation charged to sponsored projects and associated cost share funds. In the event a payment is determined to be unallowable on the sponsored project, the department will be required to transfer the charge to a non-sponsored project fund.

d. Additional compensation is not intended to compensate employees for cooperative work between university departments where faculty and staff provide support for each other on an ongoing basis. In all cases, an employee’s primary assignment takes priority over the work performed for another unit. The additional work should not create a time conflict with the performance of the employee’s normal duties and should not create a conflict of interest (i.e., additional duties should not compete with the interest of the primary assignment).

e. The following may qualify for additional compensation:

   (1) An increase to an established full-time teaching load, as determined by the dean and approved by the PSVP;

   (2) Teaching non-credit courses administered through the outreach and distance education activities of the Office of the Provost, including those administered through the Center for Professional Development, in accordance with OP 32.10, Additional Compensation for Faculty/Staff through the Office of the Provost;

   (3) Developing and/or teaching high-priority distance or off-campus instructional outreach programs (see section 8. below); and

   (4) Interdepartmental consulting or short-term, incidental work on sponsored projects.

f. Compensation in excess of base salary must be specified and approved in writing prior to work commencing, in accordance with the policy herein.

g. Without exception, all payments to university employees must be made through Payroll Services and will be subject to withholding taxes and other payroll deductions. Furthermore, extra compensation requests must be requested and paid before the close of the fiscal year in which the services were performed.

h. The rate of pay must be commensurate with the employee’s institutional base salary.

   (1) In the event the additional work being performed is substantially different from the services provided by the employee’s regular appointment, then the rate for the additional duties should be commensurate with that which the university normally pays for those services.

   (2) In the event the services being provided are not normally provided by the university, then the rate for the additional duties should be commensurate with the market rate for such services.

6. **Lump Sum Payment**

   A lump sum payment is a payment to a non-exempt employee who performs work that is (a) in addition to regularly assigned duties and (b) outside the home department. Only in these circumstances may a lump sum payment be made to a non-exempt employee. Otherwise,
payments in excess of 40 hours in a workweek must be paid in accordance with overtime policy outlined in OP 70.17, Overtime.

The requirements and approval for lump sum payments is the same as additional compensation.

7. **Salary Supplements for Distance Education and Off-campus Instructional Outreach**

   In order to accomplish the strategic objectives of expanding access to Texas Tech’s academic offerings, salary supplements may be available for the development and delivery of course sections in programs that have been designated as start-up or high-priority distance or off-campus instructional outreach programs. The availability of this supplement is dependent upon the availability of funds from institutional or external resources.

   a. Faculty employees may receive salary supplements for the development or delivery of course sections that meet the Texas Higher Education Coordinating Board Rules and Regulations, Chapter 4, Subchapter E definitions for distance and/or off-campus course delivery. These supplements are designed to cover the additional responsibilities associated with teaching course sections to new populations of students who are not physically located in Lubbock.

   b. This supplement requires the approval of the PSVP or designee. A supplement will be terminated when preparation for or delivery of a qualifying distance or off-campus course section is completed.

   c. The supplement is only available for instructional activities that will be submitted for formula funding.

8. **Authoritative Reference**


9. **Right to Change Policy**

   Texas Tech University reserves the right to interpret, change, modify, amend, or rescind this policy, in whole or in part, at any time with or without the consent of employees.