

Regulations Library

The University of Utah

Policy: 5-403 Rev: 7
Date: December 27, 1999

Policy 5-403: Additional Compensation and Overload Policy

I. Purpose

To outline the University's policy limitations toward payment of additional compensation above regular salary to Employees from funds administered and paid by the University.

II. References

Policy 5-204, Remunerative Consultation and Other Employment Activities.

Policy 3-111, Independent Consultant Agreements.

III. Definitions

For the purpose of this Policy and Procedure, the following definitions are applicable:

- A. Additional Compensation - Payment for services rendered by an employee in addition to base salary payable for the normal working activity contemplated by the terms of the Employee's appointment.
- B. Appointment Period - The period of time in which effort is expended in the performance of services contemplated by the terms of the Employee's appointment.
 - 1. Where compensation is derived from state funds, the appointment period is not necessarily identical to the period of time during which compensation is paid.
Example: For a Faculty Member holding a nine-month appointment, the appointment "begin" and "end" dates will ordinarily be August 16 and May 15 of the following year, respectively, although compensation may be paid over the twelve-month period starting on July 1 and ending on June 30, respectively.
 - 2. Compensation derived from a sponsored research contract or grant may be paid only for services performed during the period of time included within the appointment "begin" and "end" dates.
- C. Base Salary - The total compensation approved in advance as the amount payable from any funds administered by the university for normal and expected working time and effort, not in excess of 100% of full time, rendered by an Employee for all services to be performed under all assignments designated on the Personnel Assignment Status Sheet during the appointment period.
- D. Consultation agreement - An independent contractual agreement entered into by a University Employee, acting outside the course and scope of employment and solely in a personal capacity, for the performance of consulting services, consistent with the University's consultation policy (**Policy 5-204**).
- E. Full-time - An employment relationship, applicable to both Faculty and Staff Members, which requires a commitment of 100% of the individual's normal and expected working time and effort. Full-time employment (i.e., 100% FTE) is generally inconsistent with the acceptance

of any other employment on a continuous or permanent basis. (Note: For other purposes, e.g., benefits, "full-time" employment may be defined differently.)

- F. Funds administered by the University - Funds administered by the University include general funds, uniform school funds, mineral lease funds, grant and contract funds, restricted and unrestricted funds, auxiliary funds, plant funds, ASUU funds, development funds, and any other funds under the control of the University that are available for payment of compensation.
- G. Overload status - An employment condition in which the total percent of full-time recorded on an Employee's Personnel Assignment Status Sheet for all assignments held concurrently exceeds 100%.
- H. Sponsored research contract or grant - A contractual arrangement with a federal, state, private, or other non-university agency under which funds are made available and are administered by the University for a specified research or training project or program.
- I. Relevant Employee definitions are defined in Policy 5-001.

IV. Policy

A. Basic Rules

1. Unless specific authorization to the contrary is obtained as provided herein, the total salary payable during the fiscal year to an Exempt Employee may not exceed that Employee's base salary annualized over a twelve-month period.
2. Additional compensation payable from funds administered by the University is permitted only under the conditions specified herein. Any such payments made, for any reason, in violation of this policy and procedure constitute an indebtedness from the recipient to the University.

B. Compensation Rates

1. Salary for services under separately designated assignments must be paid in proportion to the effort expended on each assignment and at the same rate for each assignment.
2. Salary is not payable for work performed in overload status, except for authorized teaching in the Academic Outreach and Continuing Education or the teaching of authorized extended-day courses (after 4:30 p.m.) pursuant to paragraph E, below. Overload compensation cannot be paid to an Employee if the extended-day course for which payment is to be made is part of his/her normal assignment during the appointment period. Overload assignments in extended-day courses must be authorized by the dean/director with line authority over the department offering the course, and the dean/director with line responsibility over the Employee. For classes in the Academic Outreach and Continuing Education, authorization must be obtained from the dean/director with line responsibility over the course, the dean of continuing education, and the dean/director with line responsibility over the Employee. In instances where a dean/director or vice president holds the teaching assignment, authorization must be obtained from the supervisor with line responsibility over the Employee.
3. The base salary of an Employee will remain constant throughout the appointment period unless:
 - a. an approved increase in the base salary is reflected on the Personnel Assignment Status Sheet by increases or decreases, proportioned to working time and effort (i.e., percent of FTE), in the compensation payable for services under each assignment designated thereon; or
 - b. a change is made on the Personnel Assignment Status Sheet in the total time and effort (i.e., percent of full-time) expected from the Employee, accompanied by an equivalent change in the base salary, distributed proportionately to assignments.

- C. **Special Teaching Assignments.** When a Faculty Member agrees to teach a course outside of his/her own department during a regular teaching semester (e.g., Liberal Education or Honors), that course must be scheduled as part of the faculty member's normal teaching load, unless such course qualifies under paragraph IV.E. as authorized overload for the Academic Outreach and Continuing Education or as an extended-day course, and no additional compensation will be paid. By arrangement between the respective department heads, the Faculty Member's department may be reimbursed by the outside department for this service to the outside department. Overload teaching during the regular day curriculum by Exempt Employees may be allowed only as exceptions for which approval in writing must be obtained in advance from the dean/director with line responsibility over the department offering the course, and the dean/director and the vice president with line responsibilities over the Employee.
- D. **Separate Assignments During Nonworking Intervals.** For services performed on a separate work assignment during the interval following the end of a normal full-time work assignment and before the commencement of another normal full-time work assignment (e.g., during a nonworking semester for Faculty Members on nine-month appointments at 100% FTE), compensation calculated at the base salary rate may be paid from funds administered by the University, subject to the following limitations and conditions:
1. The total amount of additional earnings from all work assignments during such intervals may not exceed the proportional percentage (prorated to the time during which services are performed) of the individual's base salary in effect at the time such additional services are completed.

Example: The maximum additional compensation payable to a Faculty Member on a nine-month appointment at 100% FTE, for services performed throughout the three-month summer session, is three-ninths (or one-third) of the Faculty Member's base salary in effect at the end of the summer work assignment.

For example: A Faculty Member, who holds a nine-month appointment with an \$18,000 base salary, is assigned to a three-month summer research project. The total salary for this appointment may be less than, but cannot exceed, \$6,000 (i.e., one-third of the base salary of \$18,000). If the summer project lasted only two months, the maximum would be \$4,000.
 2. **Compliance with No Overload Rule.** The "start" and "stop" dates for work assignments during such intervals must be designated to assure that the individual is not on overload status, except as permitted under paragraph IV.E.
 3. **Summer Session Compensation,** for teaching summer session in addition to autumn and spring semesters, may not exceed two-ninths of the employee's base salary in effect for the pay period in which the summer teaching is concluded.
- E. **Authorized Overload for Academic Outreach and Continuing Education and Extended-day Courses.** Overload assignments and the payment of additional compensation (overload pay), for teaching in the Academic Outreach and Continuing Education or the teaching of extended-day courses (after 4:30 p.m.), are authorized on a nonpermanent basis if the following conditions are met:
1. No part of the total compensation paid by the university to the Employee from all sources during the same payroll period represents compensation chargeable to a sponsored research contract or grant if the Employee is at 100% FTE. (Exceptions to this rule must have the written approval of the Office of Sponsored Projects.)
 2. If the teaching services for which overload pay is provided are in the Academic Outreach and Continuing Education or in extended-day courses, the provisions of Paragraph IV.H. of **Policy 5-204** must be satisfied.
- F. **Occasional Services.** For short-term, occasional, intermittent or isolated services (including an overload teaching assignment authorized in accordance with Paragraph E), performed as an employee of the university by a Faculty Member or Exempt Employee, additional

compensation may be paid from funds administered by the University, if the following limitations and conditions are satisfied:

1. The agreed services are not within the scope of a normal working assignment, or a separate assignment governed by paragraph IV.D.
 2. The total additional compensation shall be payable by a single check in an amount fixed by written agreement in advance and not directly related to the time required for completion of the services.
 3. If the Employee is at 100% FTE and any portion of the total compensation paid by the University is from federal grants and contracts, the additional compensation must be approved by the Office of Sponsored Projects.
- G. Consultation Agreements. Nothing in this policy and procedure statement is intended to preclude University Employees from entering into independent consultation agreements to perform services for any person, including the University or an officer or Employee of the University (see **Policy 3-111**), if such contract services (a) are not within the normal performance expectations of the University arising from the Employee's University position, (b) are to be performed outside of the normal working time and work assignment of the Employee and not under the direction, supervision or control of the University, (c) do not involve a conflict of interest prohibited by the Utah Public Officers' and Employees' Ethics Act, and (d) are not to be performed for an officer or principal investigator who holds an appointment in the same academic department or other operating unit as the contractor. All consultation agreements must comply with **Policy 3-111**.

V. Procedure

A. Approval Requirements and Exceptions

1. An Additional Compensation Form, accompanied by the written agreement required by paragraph IV.F.2., must be submitted to the Payroll Office to request payment for services performed pursuant to paragraph IV.E. and F., above.
2. Each approving officer, by affixing his or her signature to a Personnel Assignment Status Sheet, Exempt Employees Report, or Additional Compensation Form thereby certifies that all the requirements for payment of compensation as specified in this policy are satisfied.

B. Payment Through Payroll System

All additional compensation will be paid through the payroll system, subject to applicable withholding and deductions.

C. Reporting Requirements

The payroll office will submit a quarterly report to the appropriate administrative officers showing the amounts of additional compensation paid to all personnel within their area of responsibility.

VI. Contacts

Policy Owner: Questions about this Policy and any related Rules, Procedures and Guidelines should be directed to the **Compensation Analyst**.

Policy Officer: Only the **Vice President for Human Resources** or his/her designee has the authority to grant exceptions to this Policy.

VII. History

Editorially revised: October 11, 2011

Editorial changes were made to this document to reflect the changes in employee definitions as set forth in **Policy 5-100**.

Editorially revised 5/24/2004
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OUTDATED