**NC State College of Education**

**Supplemental Pay/Additional Compensation** (February 16, 2012)

**Context & Philosophy:** The College of Education recognizes that certain circumstances may exist to justify the award of supplemental pay to EPA employees. This document sets forth the conditions under which a supervisor may approve supplemental pay for EPA employees and the approval request process that must be followed as per NC State REG 05.20.14, Supplemental Pay for EPA Employees. “Supplemental pay” is defined as compensation in excess of an EPA employee’s annual salary that is paid by NC State to the EPA employee for *temporary* increases in responsibility and/or extra duties beyond the scope of the employee's contract/appointment. The maximum supplemental pay that may be received during a contract/appointment period is limited to 20% of the annual salary (use 1.0 FTE equivalent) of that period unless appropriate Executive Officer approval is obtained. Supplemental pay, then, is a time-limited solution to a temporary situation. Should a situation become permanent, a permanent solution should be sought (e.g., salary adjustment due to increased responsibilities, adjustment of position responsibilities to accommodate the “extra” duties, and/or hiring additional personnel). This document does not cover compensation paid by NC State to faculty with academic year appointments for work done outside of the employee’s annual contract/appointment period and annual contract/appointment obligations, which is governed by [NCSU REG05.20.35 - Summer Salary for EPA Employees](http://www.ncsu.edu/policies/employment/faculty/REG05.20.35.php).

**Prior to the time the additional duties begin** **supplemental pay must be approved in writing by:**

1. the unit head of the department where the duties are to be performed (if different from the home unit), and
2. the unit head where the employee's regular appointment lies, and
3. the dean/director or designee where the employee's regular appointment lies, and
4. employees receiving supplemental pay from sponsored programs require prior approval from the sponsoring agency (see OMB Circular A21 Section J.10.d(1)), and
5. approved requests must be submitted to Human Resources for review and processing.

**General CED Practice is as Follows:**

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| **Employee** | **Standard Practice** | **Approvals** |
| Part-Time NTT Faculty | Additional duties may be assigned up to 1.0 FTE with additional compensation proportional to the increase in FTE | Head of unit requesting serviceHead of employee’s unitDean or Designee  |
| Part-Time Non-Faculty EPA Professionals | Additional duties may be assigned up to 1.0 FTE with additional compensation proportional to the increase in FTE | Head of unit requesting serviceHead of employee’s unitDean or Designee |
| Tenure Track Faculty | Additional responsibilities different from those in the position description (e.g., dept or college administration) may be compensated during the period of duty at a reasonable rate, up to a maximum of 20% of the annual salary. These duties must be different from and in addition to normal responsibilities. Requests that exceed the 20% annual limit must be accompanied by a justification of extenuating circumstances and will require Provost’s approval. | Head of unit requesting serviceHead of employee’s unitDeanUniversity HR[Provost]\*\*when request exceeds the 20% limit |

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| Full-Time NTT Faculty | Additional responsibilities different from those in the position description (e.g., dept or college administration) may be compensated during the period of duty at a reasonable rate, up to a maximum of 20% of the annual salary. These duties must be different from and in addition to normal responsibilities. Requests that exceed the 20% annual limit must be accompanied by a justification of extenuating circumstances and will require Provost’s approval. | Head of unit requesting serviceHead of employee’s unitDeanUniversity HR[Provost]\*\*when request exceeds the 20% limit |
| Full-Time Non-Faculty EPA Professionals | Additional responsibilities different from those in the position description (e.g., for many, teaching and/or curriculum work)) may be compensated during the period of duty at a reasonable rate, up to a maximum of 20% of the annual salary. These duties must be different from and in addition to normal responsibilities. Requests that exceed the 20% annual limit must be accompanied by a justification of extenuating circumstances and will require Provost’s approval. | Head of unit requesting serviceHead of employee’s unitDeanUniversity HR[Provost]\*\*when request exceeds the 20% limit |

**Special Considerations for Contracts & Grants:** When the supplemental pay will be charged to a contract or grant there are additional considerations that apply primarily to full-time, tenure-track faculty. These constraints derive from OMB Federal Circular A-21, J.10.d.(1):

*J.10.d. Salary rates for faculty members.*

1. *Salary rates for academic year. Charges for work performed on sponsored agreements by faculty members during the academic year will be based on the individual faculty member's regular compensation for the continuous period which, under the policy of the institution concerned, constitutes the basis of his salary. Charges for work performed on sponsored agreements during all or any portion of such period are allowable at the base salary rate. In no event will charges to sponsored agreements, irrespective of the basis of computation, exceed the proportionate share of the base salary for that period. This principle applies to all members of the faculty at an institution. Since intra university consulting is assumed to be undertaken as a university obligation requiring no compensation in addition to full time base salary, the principle also applies to faculty members who function as consultants or otherwise contribute to a sponsored agreement conducted by another faculty member of the same institution. However, in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his regular departmental load, any charges for such work representing extra compensation above the base salary are allowable provided that such consulting arrangements are specifically provided for in the agreement or approved in writing by the sponsoring agency.*

The University’s application of this section of A-21 boils down to this:

* Supplemental pay for faculty effort on sponsored projects during the academic year is not allowed; release time is the standard.
* Supplemental pay for faculty effort on sponsored projects during the summer is allowed as governed by [NCSU REG05.20.35 - Summer Salary for EPA Employees](http://www.ncsu.edu/policies/employment/faculty/REG05.20.35.php)
* In certain cases, a faculty member may receive supplemental pay for consulting or similar contribution to a sponsored project that is **not** her/his own and is in a **different unit** of the University, with prior approval of the funding agency (see highlighted section of A-21 and item #4 in the list of required approvals above). Please discuss these plans beforehand with your department head, business officer, and grants manager.