Faculty Extra Compensation Guidelines

I. INTRODUCTION

The following policy statement guides the practices of administrators with regard to compensation of faculty for contracted activities in excess of the established FTE of the position. This document shall supersede all previously promulgated policy statements related to faculty extra compensation. Any exception to this policy statement must be approved by the appropriate vice presidential area.

STATEMENT OF POLICY

A. Who May Receive Extra Compensation?

With the approval of the primary employer, members of the faculty may receive compensation for additional employment within the University in excess of the full-time equivalent (FTE) established for the employee’s regular, or primary, salaried position.

Each faculty member is responsible for the full and competent performance of all duties pertinent to his/her employment with the University. As determined by university administrators, activities or additional employment that may interfere with the primary employment obligations and responsibilities, or may create a conflict of interest with those responsibilities and obligations are prohibited.

For approval to be given for Faculty Extra Compensation, the following conditions must be met:

1. In the case of extra compensation for credit instruction, the faculty member must already be assigned a ‘normal’ instructional load as determined by the standards of the primary employer.

2. For any given semester, the amount of time devoted to activities for which faculty members receive extra compensation may not exceed the time that is normally devoted to teaching one course, or its equivalent.

3. The primary employer must be prepared to certify via signature on the Faculty Extra Compensation Agreement that the time commitment involved with the performance of the extra university activities does not constitute a conflict of commitment with respect to the performance of the faculty member’s assigned university duties. In making this decision, the primary employer will also consider outside activities in which the faculty member is engaged.

Extra compensation appointments shall be offered equitably and as appropriate to qualified employees in sufficient time to allow employee voluntary acceptance or rejection and revision and approval of primary employer.
Ordinarily, faculty members holding appointments as vice president, assistant/associate vice president, dean, assistant/associate dean, or other equivalent positions in the faculty pay plan are not eligible for extra compensation for teaching credit courses or performing funded research. Exceptions must be approved by the primary employer.

B. The Amount of Extra Compensation

Normally, the amount of extra compensation will be negotiated between the employee and secondary employer with the approval of the primary employer. For faculty teaching credit classes, the rate of pay will be a maximum of 3% of the full-time rate of pay for a nine month faculty member and 2.455% of the fulltime rate of pay for twelve month faculty for each credit hour taught for extra compensation. The rate of pay may be less than that figure, but should be commensurate with reasonable market-based levels of compensation. For faculty engaging in university non-credit instruction activities the amount of compensation should also reflect a reasonable market price.

C. Source of Extra Compensation

Compensation for university employment that exceeds the established FTE of the position must be paid as OPS.

D. Special Considerations for Payment from Federal Contract and Grant Accounts

The federal government’s Office of Management and Budget (OMB) Circular A-21 applies to extra compensation paid in whole or in part from all federally funded projects. Circular A-21 places restrictions on extra compensation paid from projects sponsored with federal funds. Circular A-21 allows for payment of extra compensation on federal grants only when all of the following conditions are met:

1. Consultation is across department lines, or involves a separate or remote operation.

2. The work performed is in addition to the faculty member’s regular department assignment.

3. The work performed cannot conflict with the faculty member’s regular university duties and assignments.

4. The terms are specifically provided for in the contract/grant agreement or have been approved in writing by the sponsoring agency and appropriate USF responsible authorities.

Principal investigators and co-principal investigators are not permitted to earn extra compensation on federal grants.
E. Payment to Independent Contractors

USF faculty generally may not be paid as independent contractors by the USF Foundation or the Research Foundation. An exception may be provided for faculty who contract with a department other than their own to provide a service substantially different than the service provided as part of their ordinary responsibilities and who meet all legal criteria of an independent contractor, to be paid via an Independent Contract Agreement. Ordinarily, in order to be paid as an independent contractor, the individual must be in the business of providing the contracted service to customers other than USF. Any exceptions must be approved, in writing, by the president or a designee.

III. DEFINITIONS

A. Faculty Extra Compensation

Extra compensation is for contracted activities in excess of the established FTE of the position. The established FTE of the majority of positions is 1.00 FTE; in these cases, extra compensation refers to compensation for work in excess of 1.00 FTE. For positions established for less than 1.00 FTE (e.g. .50 FTE), extra compensation refers to work in excess of that FTE. As such, extra compensation does not include stipends, temporary pay increases (SPI) or other compensation for duties that do not increase the employee’s FTE above that established for the position.

B. Primary Employment/Employer

The primary employer is the unit in which the employee receives an assignment, evaluation and salary based the certification of performance of regularly assigned duties.

C. Secondary Employment/Employer

The secondary employer is the department, or unit, requesting the employee’s services in addition to those regularly assigned by the primary employer.

D. Contract or Grant

A contract or grant is any funds received by the university from an external source to perform research, training or other sponsored activities (excluding activities sponsored by Educational Outreach).

E. Activities Qualifying for Extra Compensation

1. Credit instruction (e.g. teaching an additional regular class)
2. Non-credit instruction (e.g. teaching in an Educational Outreach program)
3. Contract and Grant (e.g. a temporary assignment to work on a contract or grant)
4. Other services (e.g. a specific assignment to serve on an honors committee or a temporary consulting assignment within the university)
IV. **PROCESSING AND PAYMENT OF EXTRA COMPENSATION**

Extra compensation assignments will be completed through the appointment process and payment will be made through the bi-weekly payroll process. However, it is recognized that it is not always efficient to process extra compensation payments for assignments through the bi-weekly payroll. Therefore, extra compensation assignments that meet the following conditions may be made through the Non-Recurring Compensation process:

1. Payment for tasks that are not specifically scheduled with respect to time and place by the employer; or

2. Tasks that occur on a one-time--only basis (e.g., a lecture delivered); or

3. Tasks that occur in a time period of less than one semester and do not exceed 20 hours of actual work time. The approval of all extra compensation must be obtained prior to work beginning regardless of when payment will be made. Primary employers are responsible for reviewing the faculty member’s activities during the previous 12 months and the proposed period of extra compensation, including normal assignments, extra compensation and efforts covered by outside activity forms. Primary employers will consider the totality of effort in deciding whether to approve extra compensation.