

## **UNLV Policy on Compensation in Excess of Base Salary Paid from University Administered Funds**

### **Introduction**

Administrators, faculty, and professional support personnel under full-time employment contract to the University of Nevada, Las Vegas are accountable to the University for 100 percent of the duties associated with their basic appointments. Employment commitments for professionals such as these are unique to universities. These professionals are viewed as persons capable of and committed to being involved in a multitude of related activities including teaching, research, creative endeavors, university/public service, and administrative duties. They are judged upon their contributions derived from these activities, and they are free to determine the allocation of their time with the object in mind that no responsibility shall be slighted. Unlike classified employees, for whom overtime pay is required, there are no work hour limitations for UNLV administrators, faculty, and professional support personnel. Time is a variable which must be applied to the accomplishment of tasks associated with the successful performance of a variety of regular duties.

Employment contracts for administrators, faculty, and professional support personnel are duty-based, not time-based. Full compensation for the performance of all regular duties is stipulated in the professional employee's basic appointment contract. Compensation over and above the employee's stipulated salary for a given base salary period, from University administered funds, is not allowed for performance of regular contracted duties.

In certain situations, however, compensation in excess of the base salary from University administered funds may be justified. It is the purpose of this policy to define extra-contractual/supplemental compensation as it relates to various personnel and situations, and to establish the review criteria and procedures for the payment of such compensation.

### **Definition of Terms**

#### **Academic year**

For the purposes of this policy, the academic year shall be considered as the period beginning the day the Provost sets as the reporting date for faculty for the fall semester, and ending the day of University commencement ceremonies for the spring semester. The academic year is the base salary period for "B" Contract employees, and for the purpose of calculating salary rates, it shall be considered to have a duration of 9 months (see "base salary period").

#### **Additional temporary responsibilities/assignments**

Certain activities may justify extra-contractual compensation. Examples include:

- special projects assigned as overload by University administrators;
- consulting or other special services performed in connection with a remote operation, for a department or area other than the employee's department or area, and activities sponsored by the College of Extended Studies
- specially approved work on a University administered sponsored project; and
- teaching overload assignments.

Additional responsibilities and assignments of a more permanent nature may be considered justification for adjustment of the employee's stipulated salary rather than justification for extra-contractual or supplementary compensation.

### **Base salary period**

The period of time during which an employee is under contractual obligation to the University and for which the employee receives a stipulated salary for the University fiscal year. For "A" Contract employees the base salary period is the full 12 months of the fiscal year. For the purpose of calculating salary rates, the base salary period of "B" Contract employees is 9 months, even though the actual number of days of contractual obligation may vary each year.

### **Compensation outside the base salary period**

Applies to "B" Contract employees only and represents direct salary payment for services rendered by the employee during periods which he/she is under no other contractual obligation to the University. Such compensation is often referred to as "summer salary," and because the employee is technically unemployed during this period, these salary payments shall not be considered as "extra-contractual" or "supplemental." [It should be noted that an employee who receives a "B" Contract salary in 12 equal installments is being paid for 6.75 months of effort during the 9 month academic year. Payment for the other 2.25 months is paid outside the base salary period.]

### **Extra-contractual (supplemental) compensation**

Compensation paid to an employee is considered "extra-contractual" or "supplemental" if it is:

- paid for services rendered during the base salary period;
- is payment in excess of the employee's stipulated salary;
- is paid in connection with approved "additional responsibilities/ assignments";  
AND
- is paid from funds administered by the University.

### **Intra-University professional work**

Includes consulting and other professional services provided to or for organizational units within the administrative control of the University of Nevada, Las Vegas. Intra-university professional work, except in unusual situations, is considered to be a contractual obligation of the employee for which extra-contractual compensation is not appropriate.

### **Private professional work**

Includes all professional services provided to or for a public or private entity which is not organizationally a part of the University of Nevada, Las Vegas, or any other institutions within the Nevada System of Higher Education. For this type of work, the University is not party to any agreement, nor does it administer any related sponsored funding. The time/effort and University resources to be expended in the performance of these professional services are the major factors for evaluating the suitability of the proposed activity, rather than any direct receipt of payment by the person performing these services. These activities are addressed by a separate policy, the UNLV Policy on Private Professional Work.

### **Stipulated salary**

The term used for the total salary amount to be paid to an employee over the applicable base salary period for a particular fiscal year. Stipulated salary amounts are those found in the University budget and/or the appointment contract for the employee. (Also may be referred to as "base salary.")

### **Policy Application**

#### **Policy Overview**

Administrators, faculty, and professional support personnel (for whom overtime compensation is not allowed) may not receive compensation from University administered funds in excess of 100 percent of stipulated salary for regular contractual obligations during the base salary period.

Compensation during the base salary period for the performance of additional temporary responsibilities and/or assignments may be paid in excess of the stipulated salary for all or part of that period if approval for compensation is obtained in accordance with this policy.

The total amount of approved compensation paid from University administered funds for additional temporary responsibilities and/or assignments shall not, however, exceed 25 percent of stipulated salary for the base salary period.

Compensation for personal services for the three month period outside the base salary period of "B" Contract employees may be paid from University administered funds at the rate normally not to exceed one-ninth per month of the employee's stipulated salary for the most current fiscal year. This compensation is to be paid as direct salary for personal services performed during this period on sponsored projects, summer school teaching, or other University sponsored activities. Compensation cannot be paid outside the base salary period for work performed during the base salary period.

Extra-contractual compensation during the three month period is subject to the same procedures and limitations as extra-contractual compensation during the base salary period. During this period the limit is 25% of three-ninths (one-third) of the stipulated salary (0.75 months, FTE).

For "A" Contract personnel, extra-contractual compensation paid from University administered funds shall not exceed 25% of the employee's 12 month stipulated salary (3.0 months, FTE).

## **General Policy Guidance**

### **University vs. Private Activities**

Care must be taken to distinguish between advisory/consulting type work and activities such as collaborative research or the provision of research services. Private professional work which is primarily research and involves University facilities and operational costs (beyond personal remuneration) should be funded by the buyer as a sponsored project. The person doing the work, therefore, would be the principal investigator of a research project -- performing regular contractual duties. However, research work which is proprietary, classified, or otherwise unacceptable contractually to the University would have to be performed under a private consulting arrangement subject to the provisions of the UNLV Policy on Private Professional Work).

### **Sponsored Project Activities**

Intra-University Professional Work: Intra-university consulting and participation in the scholarly activities of colleagues is encouraged. Such involvement, when it contributes to professional development and the mission of the University, is considered to be a part of a person's regular duties as a member of the University community -- not requiring compensation in excess of the person's base salary. Payment of extra-contractual or supplementary compensation for intra-university professional work from sponsored projects is to be discouraged. However, in unusual cases such compensation may be appropriate and allowable. See the procedural statement below concerning extra-contractual compensation on sponsored projects.

Work on sponsored projects at other institutions and organizations: UNLV faculty/staff may be appointed as paid consultants on sponsored projects administered by other institutions or organizations only if

- The work does not involve the utilization of UNLV facilities, personnel, students, or other resources.
- If the work does involve UNLV resources, it may be performed only if the sponsoring institution subcontracts or subgrants the work to UNLV and provides all direct and allowable indirect costs related to the project.

### **Procedures for Request & Approval of Extra-Contractual/Supplementary Compensation**

Without exception, all payments to University employees for extra-contractual compensation will be treated as salary. Payment will be made through the Payroll Office and will be subject to withholding and other appropriate deductions. Such payment will be authorized upon proper completion and full endorsement of a [“Request for Extra-Contractual/Supplementary Compensation Form.”](#)

### **Extra-contractual/Supplementary Compensation for Work Performed During the Base Salary Period.**

Additional temporary responsibilities and assignments for which compensation may be justified: (See Definitions)

Limits:

- For "B" Contract personnel, compensation may not exceed 25% of stipulated salary for the base salary period or 25% of 1/3 the stipulated salary for the three months outside the base salary period.
- For "A" Contract personnel, compensation may not exceed 25% of stipulated salary during the 12 month base salary period.
- Sponsored projects subject to the provisions of Office of Management & Budget Circular A-21 (i.e. federally funded projects) prohibit the payment of extra-contractual compensation for intra-university consulting unless one of the following conditions is found to exist:
  - Consultation is across departmental lines, and the work performed is clearly in addition to the employee's regular departmental load; or
  - Consultation involves a separate or remote operation, and the work performed is clearly in addition to the employee's regular departmental load.
  - Extra-contractual compensation paid under these circumstances must be specifically provided for in the agreement or approved in writing by the sponsoring agency.

### **Compensation for Personal Services Outside the Base Salary Period ("B" Contract Employees Only)**

### Direct Salary Payments:

"B" Contract employees may be paid direct salary from sponsored projects and other University administered sources for work performed during the period not covered under the regular academic year ("B") contract. Rates of pay ordinarily shall be based upon a nine month stipulated salary and prorated according to percent time and duration of the appointment outside the base salary period. These salaries are compensation for personal services rendered during a period the employee is under no contractual obligation to the University and are not to be considered as extra-contractual or supplementary compensation.

### Limits:

- Level of effort on any or a combination of personal services associated with summer school teaching, research projects or any other sponsored project activity may not exceed 100% time (three months FTE).
- Total compensation for one or a combination of efforts for the three month summer period may not exceed three-ninths (one-third) of the "B" contract employee's stipulated salary for the most recently completed academic year.
- Since summer school compensation rates are typically less per month than the stipulated contract rates, maximum compensation for full time teaching during the summer will not necessarily equal one-third of the faculty member's stipulated salary. Summer school teaching must be included in the time and effort commitments for this period. Unless summer school commitments are approved as overload, with summer school salaries paid as extra-contractual compensation, these commitments must be subtracted from total time and effort commitments on sponsored projects or other activities. Since payment for summer school teaching is not based on stipulated salary, it must be considered separately from other salary and considered as full compensation for the percent time and duration involved.
- Direct summer salary payments for work on sponsored projects may be paid at the stipulated salary rate (i.e. 1/9 per month) or at a lesser rate, depending upon the availability of funds.
- Compensation from sponsored projects must be for actual work performed on the project from which the funds are paid and must be paid for personal services performed, under appointment, during the period stipulated. Sponsored project funding may not be used during the summer months to pay for work performed during the academic year, nor may they be used to supplement compensation, such as that paid for summer school teaching, paid at a lower rate.
- If a "B" contract employee is committed to 100% time of effort on sponsored projects during the summer months and receiving compensation at the full stipulated rate (1/9 of "B" contract salary per month), he or she may receive extra-contractual compensation for certain assigned overload duties during that period. The extra-contractual compensation may not exceed 25% of three

months' salary at the stipulated salary rate (25% of 1/3 of the "B" contract salary).

Example: A faculty member is budgeted in a research grant for three months of effort during the summer. The department chair needs to add a course during the first summer term in the faculty member's area of specialization, and the faculty member is requested to teach this course as an overload assignment. Compensation would be calculated as follows:

- Faculty member's "B" contract salary amount = \$36,000
- Amount budgeted in research grant (1/3 of \$36,000) = \$12,000
- Allowable extra-contractual compensation (maximum) =  $0.25 \times \$12,000 = \$3,000$
- The amount paid to the faculty member would be \$15,000: \$12,000 for research, full time for three months, plus \$3,000 overload payment for teaching the course during the first summer term.

The criteria for justification and allowability of extra-contractual compensation during this period are the same as for compensation during the base salary period.

### **Policy Implementation**

Academic deans shall develop practices and procedures in accordance with the general guidance of this policy to address specific situations and reporting requirements appropriate to their units. Academic deans shall be responsible for the tracking and verification of faculty compensation requests and payments.

Exceptions to any of the provisions in this policy may be considered on a case by case basis; provided the faculty or administrative staff member requesting the exception obtains approval of all administrators within his or her reporting structure.