



POLICY STATEMENT 43 ADDITIONAL COMPENSATION LIMITATIONS FOR ACADEMIC AND ADMINISTRATIVE/PROFESSIONAL EMPLOYEES & COMPUTATION OF SUMMER SALARY RATES FOR ACADEMIC EMPLOYEES

POLICY DIGEST

Monitoring Unit:
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I. PURPOSE

To specify the policies governing additional compensation allowable for academic and administrative/professional [unclassified] employees and computation of summer salary rates for faculty appointed on a regular academic year pay basis.

II. DEFINITIONS

Additional Compensation: extra compensation for services rendered and paid from an LSU source above the employee's base salary. Additional compensation is earned for performing work outside the scope of the employee's normal duties as reflected on his/her position description form.

Total Allowable Compensation: total amount of compensation which can be earned by an employee from LSU sources between July 1 and June 30 of any fiscal year.

Supplements from object code 1090 and royalties are not included as compensation.

Summer Salary: salary paid between two academic years to a faculty member appointed on a regular academic year basis. Amounts earned during the summer are counted as earnings against the additional compensation limit.

III. GENERAL POLICY

Occasionally, academic and administrative/professional employees are asked to assume responsibility for additional duties unrelated to, or independent of, their normal work.

When such assignments are clearly not a part of the employee's normal assignment, additional compensation may be permitted. A request must be approved prior to the beginning of the additional compensation assignment. It is the employee's responsibility to monitor his/her individual allowable compensation limit (see Additional Compensation Limitations below) and not to exceed the limit.

Typically, additional compensation outside the summer period is earned from departments other than the home department. Additional compensation work may include instruction, research, or public service activities which are generally short term in nature.

Additional compensation for instruction may include teaching courses for college credit (e.g. Evening School/LSU-A program), exam reviews or administering tests (e.g. CPA/ GRE), serving as supervisory teachers (i.e. College of Education) or grading Independent Study courses. The Graduate School must approve all employees teaching courses for college credit at the 4000 level or above. Additional compensation assignments may also include special teaching assignments in other non-credit courses (e.g. Short Courses/Executive Education).

Employees receiving additional compensation for research may include summer research grants (usually performed for the home department). Because faculty are generally given release time for research during the regular academic year, additional compensation requests for periods other than the summer will not normally be approved.

A. Approval Levels

The need for allowing additional compensation will always be evaluated in view of the advantages to Louisiana State University. The approval structure for additional compensation requests generally requires the authorization of the Department Head of the department initiating the request and the Department Head of the employee's primary home department and their respective Deans/Directors. The requests will then be routed to the Office of Human Resource Management (HRM) for further routing and compliance review (e.g. sponsored projects routed to Grants & Contracts).

The appropriate Vice Chancellor may delegate approval authority to the respective Deans for additional compensation work for which previously approved rates are clearly established (e.g. Continuing Education courses, courses for college credit). In such cases, HRM will be required to submit regular reports on additional compensation earned to the respective Vice Chancellor.

This policy does not apply to any income earned outside of LSU employment which must be reported in compliance with PM-11. However, administrators may take into account the amount of outside work performed in considering the approval of PS-43 requests.

B. Additional Compensation Limitations

The total amount of additional compensation earnings from LSU sources cannot exceed the following limitations. The limit in no way minimizes the need to justify any additional compensation on a case by case basis. The formulas for calculating individual additional compensation earnings are shown below:

Academic Year (AY) Employees: $[\text{AY Salary} + 2/9\text{th's of AY Salary}] \times 1.30 - \text{AY Salary}$ OR $[\text{AY Salary} \times 1.2222 \times 1.30] - \text{AY Salary}$

Fiscal Year (FY) Employees: $[\text{Regular FY Salary} \times 1.30] - \text{FY Salary}$

Additional compensation should be based on the appropriate rate of pay for the activity performed and is paid against the allowable compensation for the time period in which the service is performed.

If the employee's salary changes during the fiscal year, the additional compensation allowable limit is adjusted accordingly. Also, additional compensation for periods which cross the fiscal year will be split so that the portion earned prior to July 1 applies to

the prior year limits and the portion earned on or after July 1 applies to the following year's limits.

IV. FISCAL YEAR EMPLOYEES

Fiscal year employees may earn additional compensation. However, if the work to be performed falls within the employee's normal workweek (8:00 a.m. - 4:30 p.m. Monday through Friday), then the employee must be charged annual leave or leave without pay for the period of the activity. If the employee works a non-standard workweek, this must be documented with the Office of Human Resource Management (PS-79) in advance of any additional compensation work.

Employees whose regular appointments are on 9 or 10 month fiscal basis may also be paid additional compensation if they work during the 2 or 3 month period outside their regular appointment.

Fiscal year employees without faculty rank who perform teaching duties for additional compensation involving courses for college credit will be given the title of "Part-time Instructor" unless otherwise appropriate.

V. PART-TIME EMPLOYEES

Additional compensation may be paid to part-time employees for short term or intermittent services. If the additional duties are recurring, the part-time employee should be compensated by increasing the percentage of effort and/or budgetary cross charge, if feasible.

VI. COMPUTATION OF SUMMER SALARY RATES

For faculty members on the summer term budget with teaching responsibilities, calculation of their summer rate of pay will be based on two-ninths (2/9) of the preceding academic year salary, regardless of whether the appointment is for the nine week summer session, a four week session or a combination of sessions.

For faculty members paid between the academic years from sources other than the summer term budget (e.g. sponsored grant or contract funds), rate of pay will be the same as for teaching in **Summer Session A** computed by the following formula:

Academic Year Salary x [2/9 number of calendar days in Summer Session A] x number of calendar days in period of appointment.

During the summer period, paid vacation is not allowed for academic year employees so there must be breaks in periods of appointment if vacation time is planned. However, faculty who meet the criteria in PS-12 for accruing sick leave will be credited with sick leave based on the length and percent effort of appointments between academic years.

A department chair paid solely from grant or contract funds between the academic years may be compensated at a monthly rate equal to his/her academic year monthly rate excluding the chair's supplement. If he/she is performing the chair's duties during the summer, his/her total monthly rate of compensation may include the supplement if it is paid from appropriate funds.

VII. OBJECT CODE DESCRIPTIONS

The following Object Codes denote different types of expenditures for compensation and may be

useful in further understanding PS-43.

1050 - supplement associated with specific administrative duties (e.g. department chair) 1060 - additional compensation including summer salary [except for Continuing Education]

1070 - special object code used for classified employees who perform additional compensation work not related to their regular job [this category is rarely used - consult the Compensation Section of HRM prior to activity/use]

1090 - supplement to salary usually paid from private funds for which no retirement contributions are payable (e.g. Designated Chair)

1110 - base salary for academic and administrative/professional employees 1280 - additional compensation earned through Continuing Education