

Additional Compensation Policy

Approved October 2022

Valparaiso University supports a variety of faculty and staff work, whether that work is considered part of the employee's normal job duties or is "above and beyond and distinctly different from" normal job duties. For work that is not part of an employee's normal job duties, additional compensation may be provided. This compensation may come from internal University funds or external grant or fellowship funds. This policy outlines when additional compensation may be appropriate.

Compliance

Additional compensation is regulated in part by federal rules and regulations, specifically, the Uniform Guidance (the Code of Federal Regulations, 2 CFR200.430, section h) and grant-specific requirements such as the National Science Foundation's (NSF) Proposal & Award Policies and Procedures Guide (PAPPG) and University pay policies. Taken together, these regulations outline the following regarding additional compensation:

- The University needs to be clear about the expectations regarding an employee's normal work and have those expectations documented.
- Be consistent across all employees and all funding sources (government, private grant or University funding).
- Use the Institutional Base Salary (IBS) as the basis for determining the maximum additional pay for specific projects.
- Not use additional compensation to provide excessive compensation.
- Not use grant funds for additional compensation except in the limited situations allowed by University policy or the funder (for example, the NSF and its concept of "intra-institutional consulting").

Definition of Normal Job Workload and Responsibilities

Faculty with 9-Month Appointments

Faculty job duties and contract terms are outlined in appointment letters, the Faculty Handbook, and the Workload Credit (WLC) and Teaching Load Credits (TLC) Guidelines (revised June 2016). Normal faculty duties include WLCs for teaching, service, and research as well as other normal job duties including (but not limited to):

1. Regular office hours
2. Participation in recruitment efforts
3. Advising of student honor societies and clubs
4. Managing departmental websites
5. Peer classroom visits
6. Mentoring junior faculty
7. Service on standing committees
8. Academic advising
9. Membership on task forces

Examples of work **not** included in faculty's normal duties include (but are not limited to):

1. Leading departmental assessment or accreditation work
2. Research activity with timeline and deliverables, as consistent with the faculty handbook
3. Leading a major curricular overhaul
4. Journal editorships
5. Election to a major office in a national organization
6. Continuing education for strategic retooling

Work not included in faculty's normal duties as defined by the NSF PAPPG consists of "Intra-institutional consulting" which that may be eligible for additional compensation.

Overload payments are normally made for any WLC over 24 once a threshold of 27 TLC is reached or for other combinations of at least 27 WLC, in both cases with prior approval of the appropriate Dean(s).

Faculty with 12-month Appointments

Faculty with 12-month appointments have job duties and expectations as detailed in their appointment letters. While specific types of work/projects may differ, the general principles regarding additional compensation for faculty with 12-month appointments are the same as those for faculty with 9-month appointments.

Staff

Staff job responsibilities and period of employment (10-months, 12-months) are outlined in their position description questionnaires, job descriptions, and employment offer letters.

Additional Compensation

Examples of situations that may be eligible for additional compensation include (but are not limited to):

For **faculty**, work done during the academic year (or the faculty's contract term if other than an academic year) that may be eligible for additional compensation includes (but is not limited to):

1. Work that is short-term, sporadic, or occasional in nature
2. Work performed for/with faculty from another college
3. Work done with others from the same college but who have distinctly different areas of expertise
4. Work that uses faculty's secondary area of expertise that is not normally used in their job
5. Developing programs/curricula for students outside of Valpo's normal student population

For **staff**, work that may be eligible for additional compensation includes (but is not limited to):

1. Work that is outside of the staff's normal job duties as defined by their job description or contract terms
2. Work that is short-term or project-based (rather than ongoing) or is sporadic/occasional

3. Work done for projects led by a college or organizational unit other than the staff's "home department"
4. Work that, in the absence of the staff, would typically be performed by an outside consultant contracted to do the work
5. Work that, due to existing staffing levels and workloads, cannot be performed during normal work hours by existing staff

Please note that if the type of work that is being done appears on one of the above lists as being eligible for additional compensation, additional compensation is not automatic or guaranteed. The decision to provide additional compensation depends on various factors including: consistent implementation of this policy across the University, the availability of funds, and funder restrictions on the use of grant funds.

Supervisor Approval

Employees must inform their supervisor/department chair/dean of any work that is done in addition to their normal job duties as outlined in their appointment letter or job description. Paying additional compensation is subject to the approval of the supervisor/department chair/dean and/or PI of a grant-funded project or another party with approval authority over the work and the payment of funds related to that work. This includes (but is not limited to):

1. Special projects, committee work, or other work done within the University but for/with a department other than the employee's "home department"
2. Teaching a class when teaching is not part of the employee's (staff) normal job duties
3. Teaching a class in a program, department, or college other than the faculty's "home department"
4. Teaching a class at a university other than Valpo
5. Other paid work done as an employee or consultant/independent contractor for any organization other than Valpo.

Expectations and an estimation of the additional number of hours needed to complete the task/project being approved should be discussed. Supervisors/department chairs/deans should refer to the Faculty Handbook and Staff Handbook for guidance in handling any situations that arise in which outside work interferes with normal job duties.

Written Approval from the Funder (Grants)

When grant funds will be used to provide additional compensation, the funder must provide written approval. This is required for both faculty and staff. Specifically,

- In the grant application (and any revised budgets/supplementary documentation), any instance of additional compensation during the academic year (or period of employment) must be clearly identified as such in the grant application. Depending on the funder's preferred jargon and the specific circumstances, the language in the proposal may be "overload pay during the academic year," "additional compensation for work performed outside of the employee's normal job responsibilities," or similar language.

- The funder must approve the additional compensation in writing. This approval may be included in the funder's approval of the project as a whole based on the proposal submitted. The approved budget, which includes the funder-approved additional compensation, may be referenced in the grant contract, depending on the funder's practices.

Additional Compensation Policy Background/Support Document

Valparaiso University employees – faculty and staff – may be asked or have the opportunity to perform work that is outside of their regular job responsibilities or the terms of their employment contract. This work may be funded using internal funds or from external sources (grants, fellowships). This topic is influenced by federal regulations and grant guidelines as well as existing internal University policies and guidelines.

The following was used to inform the development of the additional compensation policy effective _____. This section provides background information on relevant external rules and regulations and the University's internal policies and guidelines.

For faculty, the following information generally applies to the 9-month academic year (or the faculty's contract term) rather than to summer months when most faculty are not under contract with the University.

Federal Rules and Regulations

Two sets of rules have the most impact on the topic of additional compensation for faculty.

Additional Compensation for Faculty – Uniform Guidance

Colloquially known as the Uniform Guidance (UG), the Code of Federal Regulations published by the Office of Management and Budget (2 CFR 200.430, section h - Institutions for Higher Education (IHEs)) indicates the following regarding additional compensation for faculty during their contract periods:

1. Normal job responsibilities included in the faculty members' Institutional Base Salary (IBS) must be documented in an appointment letter and/or similar and related documents in sufficient detail and specificity that it is clear what type of work is included and what type of work is excluded from faculty's normal job responsibilities.
2. University policies must be applied to all faculty consistently, regardless of whether work is supported by federal funds or other funds.
3. Any overload pay/additional compensation must be calculated based on the Institutional Base Salary (IBS) for that faculty member and the amount of additional work to be performed.
4. Compensation, including additional compensation, must fall within Valpo's established salary structure and pay ranges. (This is an effort to maintain reasonable total pay when incorporating additional compensation.)

In short, we need to be clear about the expectations regarding faculty's normal work, be consistent across all faculty and all funding sources, use IBS as the basis for determining appropriate additional pay for specific projects, and not use additional compensation to provide excessive compensation.

Grant-Funded Additional Compensation – NSF Rules

The National Science Foundation (NSF) is a major source of grant funding for faculty research and other faculty-led projects. The Uniform Guidance requires that additional compensation be administered consistently across the University regardless of the funding source. Therefore, the NSF's rules impact the University as a whole.

- The NSF has a “**2/9ths rule**” regarding how much time faculty may charge to a grant. Assuming the faculty has a 9-month contract, the maximum annual amount of funding that can be requested for NSF-funded projects equals 2/9ths (2 months) of faculty time and pay. A waiver can be requested at the time of the grant application and must be justified in the grant application and approved by the NSF.
- NSF also requires a “**Current and Pending**” form to be completed with each grant application. The PIs, Co-PIs, and other Senior Personnel report the portion of their time that is included in all projects currently funded by any grant (government, private, or internal) and the portion of time that is included in any pending grant application (government, private, or internal). This information is part of the application review process, in which NSF reviewers consider the applicant's workload and capacity to successfully engage in and complete the proposed project.
- The NSF considers research to be a fundamental part of a faculty member's normal job responsibilities and does not generally allow the use of grant funds to pay additional compensation. One exception to this rule is the notion of “**intra-institutional consulting**” in which faculty may engage in projects carried out by others at their own university that are not part of the faculty's normal job duties. Only in unusual cases do the federal cost principles allow for salary charges for work beyond the normal faculty academic responsibilities representing extra compensation. Such extra salary compensation must be clearly identified as “overload pay during the academic year” and explained and justified in the grant application. This overload pay must be approved in writing by the federal agency awarding the grant and then also included in the written grant agreement.

Internal Policies and Guidelines

The University outlines workloads and responsibilities in several different documents. The relevant sections are summarized here.

Faculty with 9-Month Appointments

The Uniform Guidance and NSF requirements assume that faculty have 9-month appointments and are not on contract during the summer. The following section of the Faculty Handbook also makes this same assumption.

The **Faculty Handbook** (August 2021, section 2.5.7) states that the workload of full-time faculty members shall normally be twenty-four (24) credits per academic year although this may be altered (as stated in the appointment letter). This workload shall normally consist of at least eighteen (18) teaching load credits and up to six (6) additional teaching or workload credits. For non-lecture formats of instruction such as internships, laboratories, studios, physical education activity courses, and team

teaching, appropriate credit assignments are developed jointly by the administration and the college and/or department concerned. The Provost and Dean may grant workload credit for research activity, professional activities, professional development, and faculty work as campus citizens. The Provost's Office will keep a record of criteria for assigning workload credits.

The University's **Workload Credits (WLC) and Teaching Load Credits (TLC) Calculation Guidelines** (revised June 2016) states that full-time faculty are responsible for 24 workload credits each academic year. Each WLC is estimated to require no less than 45 hours of work time.

Normal faculty duties include WLCs for teaching, service, and research as well as other normal job duties including (but not limited to):

1. Regular office hours
2. Participation in recruitment efforts
3. Advising of student honor societies and clubs
4. Managing departmental websites
5. Peer classroom visits
6. Mentoring junior faculty
7. Service on standing committees
8. Academic advising
9. Membership on task forces

Examples of work **not** included in faculty's normal duties include (but are not limited to):

1. Leading departmental assessment or accreditation work
2. Research activity with timeline and deliverables, as consistent with the faculty handbook
3. Leading a major curricular overhaul
4. Journal editorships
5. Election to a major office in a national organization
6. Continuing education for strategic retooling

Overload payments are normally made for any WLC over 24 once a threshold of 27 TLC is reached or for other combinations of at least 27 WLC, in both cases with prior approval of the appropriate Dean(s).

In addition, if the university includes WLCs as a required or voluntary match for an externally funded grant, the first three WLC may not reduce the minimum TLC expected of the tenure track faculty in the unit. Any additional WLC included in the match will reduce the expected minimum TLC by the appropriate amount.

Additional Compensation – Common University Practice

In common practice, additional compensation for faculty during the AY is available for project-oriented and sporadic/occasional work rather than ongoing assignments. Also, this work is often scheduled for the summer when most faculty are not on contract and there is no issue regarding additional compensation. Examples of projects for which the University has paid additional compensation include (but are not limited to):

1. Participating in Faculty Learning Communities (FLCs)
2. Design/updating course content or converting an in-person course to an online course
3. Overload pay for teaching an additional class

If additional compensation is grant-funded, the “overload pay” must be clearly explained in the grant application, approved in writing by the funder, and included in the final written contract.

Additional Compensation for Faculty with 12-month Appointments

Some University faculty have 12-month appointments. For these faculty, the guidelines regarding additional compensation would be analogous to those for faculty with 9-month appointments. The expectations of “normal work” should be outlined in the appointment letter and the types of work that may be eligible for additional compensation for 12-month faculty are similar to that for faculty with 9-month appointments.

Additional Compensation – Fellowships

Fellowships are another form of compensation for faculty (and occasionally staff). Fellowships typically support the individual scholar doing research, writing, and creating. They generally do not involve student research assistants and other expenses that are often included in grants. Fellowships can be for an entire semester, an academic year, or for a limited time (two weeks, four weeks). Generally, the longer-term fellowships are expected to be full-time commitments, with faculty relieved of their teaching and other usual responsibilities for the period covered by the fellowship. Many faculty apply for fellowships to coincide with their sabbatical or research leave. For the short-term fellowships, faculty are encouraged to schedule them during spring break, teach classes remotely during the fellowship time, or request a course release or other schedule accommodation to allow the fellowship to occur. Faculty typically work with their Department Chair and/or Dean to negotiate an appropriate arrangement.

Fellowships are awarded to the individual applicant but are often administered by the University to ease benefits administration. Fellowship funds are used to “replace” normal salaries or to supplement sabbatical pay or provide income during a research leave period.

As a result, fellowships don’t usually raise the same situations regarding course releases, additional compensation, and related issues that often arise with grant funding. In the spirit of equity, if situations similar to grant funding arise, the policies and practices of administering fellowships will parallel those that apply to grants to the extent allowed by the sponsor and departmental needs.

Additional Compensation for Staff

Similar principles apply regarding additional compensation for staff. The following types of work may be eligible for additional compensation.

1. Work that is outside of the staff’s normal job duties as defined by their job description and/or contract terms
2. For staff not working 12-months out of the year, work that must be done during the period when the staff is not normally contracted to work

3. Work that is short-term or project-based (rather than ongoing) or is sporadic/occasional
4. Work done for projects led by a college or organizational unit other than the staff's "home department"
5. Work that, in the absence of the staff, would typically be performed by an outside consultant contracted to do the work
6. Work that, due to existing staffing levels and workloads, cannot be performed during normal work hours by existing staff

Examples of work that is eligible for additional compensation include (but are not limited to):

1. Teaching a class if teaching is not included in the employee's job description
2. Specific role in a faculty-led project typically requiring specific knowledge and skills
3. Work that promotes the professional development and expertise of the staff person which, in turn, benefits the University

Outside Employment – Existing University Guidelines (Faculty and Staff)

The **Faculty Handbook** (August 2021, section 2.5.5) encourages external consulting insofar as these activities contribute to the faculty's own professional development, enhance the reputation and visibility of the University, and further the well-being of the community. Nevertheless, full-time faculty members must always recognize that they have a professional commitment to the University during the academic year. Therefore, employment outside regular University appointments must not interfere with the faculty member's responsibilities of teaching, advising, scholarship and research, and University/ community service. Such employment is considered acceptable only when 1) it contributes to the professional development of the faculty member, and/or 2) it provides expertise to a socially or technically important problem. Outside employment is limited to an average of eight (8) hours, or the equivalent of one (1) working day, per calendar week during the academic year while the University is in session. Time spent on such outside activities must be in addition to the faculty member's full-time commitment to the University. Therefore, activities that require regular hours off-campus during the normal business day are considered inappropriate as they would interfere with the faculty member's normal presence on campus or availability for normal job duties.

The **Staff Handbook** (v2018.1a, revised 03.06.2018). While Valpo does not prohibit most outside employment concurrent with University employment, neither does it consider the outside employment of an employee when making job assignments, work schedules, or evaluating job performance. For this reason, outside employment cannot interfere with the employee's University work or work quality. The University may prohibit outside employment by an employee when it creates a conflict of interest. After being notified of the conflict, the employee must discontinue one of the two jobs. (section 2.4.9)