

1995 Suggested Revision --

Appendix E is inserted under Chapter 3, Section VII "Supplemental Compensation Policy", p. 45

## APPENDIX E

*(NOTE: The following document describes the policy in effect at the time this Handbook was published. Copies of any subsequent revisions will be available in departmental and divisional offices and in the Office for Academic Affairs.)*

### THE UNIVERSITY OF ALABAMA POLICY ON SUPPLEMENTAL COMPENSATION

#### A. Preamble

Supplemental compensation activities by faculty and staff members can support the University's missions of teaching, research, and service and are encouraged within the limits set by this policy.

Responsibility for adhering to the provisions and spirit of this compensation policy is one of the professional obligations a faculty or staff member assumes when accepting employment at the University. Any questions concerning the policy should be discussed with the appropriate administrative officer before beginning a supplemental compensation activity.

#### B. Definitions

1. "Faculty and Staff," as used in this document, refers to all Faculty, Academic Deans, Executives, and Administrative/Professional Staff who by nature of their work are exempt from the timekeeping and overtime provisions of the Fair Labor Standards Act. "Faculty" includes faculty members on sabbatical leave.
2. "Internal supplemental compensation" is any compensation paid through the University to any faculty or staff member in addition to his or her base pay.
3. "External supplemental compensation" is any salary or wages not paid through the University which a faculty or staff member receives for currently performed professionally related services.
4. "Supplemental compensation" refers to both internal and external supplemental compensation.
5. An academic year appointment covers the nine-month period beginning on August 16 and ending on May 15. A twelve-month appointment begins August 16 and concludes on the following August 15.
6. "Appropriate administrative officer" refers to that individual who determines the faculty or staff member's conditions of employment. The "appropriate administrative officer" for a faculty member normally is the dean of the school or college or division director. Reports and requests for approval from faculty members will be transmitted to the dean or director by the appropriate departmental chairperson and will include the chairperson's recommendation. If the faculty or staff member is a dean, or vice president, or other executive, the "appropriate administrative officer" is the person to whom the individual reports.

#### C. Supplemental Compensation

Reporting of all significant supplemental compensation activities is an integral part of establishing performance expectations between a faculty or staff member and the appropriate administrative officer, but no report or prior approval is required concerning a one-time external compensation activity if the activity takes less than half a day or if the compensation is no more than \$100. The reporting process and the nature of the report will be that specified by the division to which the individual is assigned.

Faculty and staff members shall not undertake compensated activities that will in any way (1) conflict with the lawful interests and goals of The University of Alabama, or (2) impinge on their primary responsibilities to The University of Alabama. In the case of externally compensated activities, faculty and staff members shall not (1) make use of property or personnel of The University of Alabama for the purpose of obtaining compensation from sources external to the University, except when such use is permitted by law and is a normal part of the individual's professional academic activities, or (2) use or permit the use of the name of The University of Alabama in a way that would suggest that the activity is sponsored or endorsed by the University, without prior authorization of the President.

1. (a) Each faculty member at the University is expected not only to be an effective teacher and to maintain an ongoing program of research and scholarly effort but also to exercise responsible academic citizenship; this typically includes advising students, serving as faculty advisor to student organizations, actively participating in professional associations, and engaging in other university activities where faculty participation is normal. Because supplemental compensation activity may infringe on these responsibilities, the faculty member is required to get prior approval from the

dean or the dean's designated representative for any such activity. Deans, on their part, will respond with approval (or disapproval) promptly and normally will respond within one working day of receiving the request. The faculty member may proceed with the activity after receiving oral approval, but the dean will make a written record of the approval and will supply a copy to the faculty member. If the proposed activity is not approved, the dean will give the faculty member written notice of reasons for disapproving. Factors to be considered by the dean when deciding whether to approve supplemental compensation activities may include possible conflicts of interest, the amount of time the activity will require, and the appropriateness of arrangements to meet the faculty member's responsibilities.

(b) Staff members must fulfill their regular assignments. Any rescheduling of assignments during the time of a staff member's supplemental compensation activities must be described in writing and must have prior approval of the appropriate administrative officer.

2. Faculty members on academic year appointments may have no more than 39 supplemental compensation days (excluding weekends and holidays) during any academic year.

3. Faculty and staff on twelve-month appointments must make arrangements with the appropriate administrative officer in order to receive supplemental compensation. Their maximum number of supplemental compensation days is 28 (excluding holidays, weekends, and annual leave) in any 12-month appointment period.

4. Faculty members with a full-time Interim Term assignment may not exceed three days of supplemental compensation during that period. Faculty members with a full-time summer assignment may not exceed five days of supplemental compensation in any summer term.

5. A full-time University faculty or staff member may not hold an academic appointment with any other institution of higher education without written approval from the *Provost/Academic Vice President*.

An appropriate administrative officer who obtains information that a faculty or staff member has violated these standards will discuss the matter with the individual, and may, with documented evidence, take any additional steps (including sanctions) needed to ensure compliance.

#### **D. Internal Supplemental Compensation**

Each faculty and staff member of the University must have prior written approval for all internal supplemental compensation activities.

1. Other than in exceptional circumstances, all teaching is done as a part of the assigned work load and without supplemental compensation. If teaching for internal supplemental compensation takes place, it is done over and above the assigned work load and normally is limited to one three-hour or four-hour course per semester.

2. Receipt of internal supplemental compensation for externally sponsored research and service activities is subject to the current policies and regulations of the external sponsor. The statements which follow describe some of the policies in effect when this document was written.

(a) Whenever faculty and staff are to receive internal supplemental compensation under sponsored programs (e.g., contracts and grants), the proposal submitted must include, at the time of submission, a statement that such compensation will be consistent with University policy.

(b) Certain funding sources may require more specific documentation of both internal and external supplemental compensation activities; such conditions are specified in the terms of the agreement. Any faculty or staff member accepting such sponsorship is presumed to have accepted the conditions of the sponsoring agency. It is the responsibility of the faculty or staff member to provide any required documentation.

(c) Unless prior written approval is given by the sponsoring agency and the appropriate administrative officer, a faculty or staff member cannot: (1) receive internal supplemental compensation on a project under his or her direction, or (2) serve both on University assigned time and receive internal supplemental compensation for the same work.

(d) If federal funds are used, internal compensation for consultation may be paid to faculty and staff members by the University only if: (1) the consultation is across departmental lines and requires special expertise, or involves a separate or remote operation; (2) the activities involved are in addition to the regular negotiated work load of the faculty or staff member; (3) and such arrangements are specifically provided for in the agreement and/or approved in writing by the sponsoring agency.

3. (a) The remuneration for internal supplemental compensation activities depends upon negotiation between the faculty or staff member and the agency in question. Usually, the daily rate for internal compensation will not exceed (1) 1.5 percent of the academic year salary or (2) 1.15 percent of the twelve-month salary, and the pay for teaching a supplemental course will be no more than that for teaching a comparable course during a summer term.

(b) University faculty and staff members who engage in conferences, workshops, and seminars through the University's College of Continuing Studies will, except for such activities funded through a grant or contract, receive internal supplemental compensation at rates determined by negotiation with that College. These rates will be competitive to the extent that such rates are compatible with the projected revenue/cost of the program and with other relevant economic considerations.

#### **E. Reporting Procedures**

~~1. Deans and directors of academic units will submit an annual report by October 1 to the *Provost*/Academic Vice President summarizing supplemental compensation activities for their division. Other directors will provide annual summaries of supplemental compensation activities to their vice presidents by October 1.~~

~~2. Each division of the University has developed a process for reporting and summarizing supplemental compensation activities. Faculty and staff members must follow the procedures of the division to which they are assigned.~~

~~**F. Conflict Provisions**~~

~~The terms and conditions of any agreement between the University and external organizations, or between the University and particular employees, will prevail in the event of any conflict between that agreement and the provisions of this policy.~~