**Pay Above Base Annual UPPS No. 04.04.12**

**Salary for Staff Issue No. 9**

**Effective Date: 04/01/2022**

**Next Review Date: 10/01/2027 (E5Y)**

**Sr. Reviewer: Assistant Vice President for Human Resources**

**POLICY STATEMENT**

Texas State University is committed to adhering to fair, equitable, and competitive staff

compensation policies, programs, and practices.

**01. BACKGROUND INFORMATION**

01.01 This policy establishes procedures for pay above base annual salary from all funds, including grants and contracts, administered by Texas State University for staff positions.

01.02 The standard applied to the expenditure of all sponsored program funds must coincide with the requirements of U.S. Office of Management and Budget (OMB) circulars.

01.03 Additional information and requirements that apply to pay above base annual salary for staff positions are contained in [UPPS No. 04.04.11](http://www.txstate.edu/effective/upps/upps-04-04-11.html), University Classification and Compensation.

01.04 Pay above base annual salary for intra-departmental services is prohibited.

01.05 Pay above base annual salary may be paid for inter-departmental services.

01.06 A written agreement delineating the consulting terms must document pay above base annual salary from non-sponsored programs.

**02. DEFINITIONS**

02.01 Base Annual Salary – an employee’s current rate of pay on an annualized basis, not including benefits or any of the exclusions listed in 02.02.

02.02 Pay Above Base Annual Salary – any compensation from funds administered by the university received by the employee above the employee’s base annual salary excluding: teaching appointments, overtime, state compensatory time, state longevity, hazardous duty, and performance awards (bonuses).

02.03 Regularly Assigned Duties:

1. Academic Staff Administrators – regular duties assigned by the Academic Affairs Division as the regular workload. Refer to [AA/PPS No. 01.02.20, Dean and Chair Workloads](http://www.provost.txstate.edu/pps/policy-and-procedure-statements/1-administration-organization/pps1-03.html) for a detailed definition.
2. Other Staff – regular duties assigned by the staff employee’s supervisor. See employee’s Job Analysis Form (JAF) or job description.
3. Principal Investigator (PI) – if named PI or Co-PI by a sponsor and if the award is accepted by the university, work under a sponsored program, whether compensated or not, is considered a part of the regular duties of that individual and, thus, they are not eligible for pay above base annual salary unless specifically approved in advance by the sponsored agency as an exception to the compensation rules as found in OMB circulars.

02.04 Additional Duties – duties performed outside the time period specified for “regularly assigned responsibilities” and in addition to “regularly assigned responsibilities,” as defined in Section 02.03. These may include:

a. special projects as assigned by university administrators;and

b. teaching duties for staff employees.

NOTE: The university will not compensate an employee for pay above base annual salary until the department head of the department in which the employee is regularly employed and the department head of the department from which the employee will receive the compensation above base annual salary receive a detailed description of their duties and responsibilities.

02.05 Intra-Departmental Services – service or work provided or performed for the same department in which the employee is regularly employed.

02.06 Inter-Departmental Services – service or work performed for a department other than the one in which the employee is regularly employed.

02.07 Incidental Activities – a required, but not major, activity associated with the requirements of a sponsored program.

**03. PROCEDURES**

03.01 Eligibility and Limitations

a. Each employee is accountable to the university for 100 percent of the employee’s regularly assigned duties and may not receive compensation for more than 100 percent time for performing those duties.

b. Pay above base annual salary from sponsored program funding sources is not permitted unless the activity meets the compliance requirements as noted in each sponsored program agreement and sponsor guidance.

1. An employee may not receive more than 25 percent of their base annual salary each fiscal year as pay above base annual salary.

This does not include teaching assignments for staff positions. Staff may exceed the 25 percent limit for teaching an academic class.

Example: If the 12-month base salary for a staff member is $36,000, the compensation in excess of base annual salary limit for the fiscal year is 25 percent, or $9,000. The staff member may earn this amount in addition to any of the exclusions identified in Section 02.02.

03.02 Compensation and Work Periods

1. Pay periods for pay above base annual salary must correspond, on a semester basis, to the time periods during which the services were performed. For example, during the fall semester the employee must receive pay for work performed during that semester and may not shift that pay to a subsequent time period. All payments must be submitted via PCR with appropriate documentation and approvals.

03.03 Responsibility for Compliance

For purposes of this policy, responsibilities are assigned as follows:

a. Human Resources is responsible for assuring compliance with staff

compensation policies. Exceptions to this policy must be approved according to Section 03.05.

b. Faculty and Academic Resources is responsible for assuring academic staff administrators’ compliance with compensation policies.

c. The Office of Research and Sponsored Programs is responsible for assuring that sponsored program proposals are prepared such that:

1) appropriate expenditure categories (salaries vs. consultants) are utilized;

2) pay above base annual salary provisions are clearly presented to the potential funding agency; and

3) pay above base annual salary is in compliance with Texas State policies and procedures, funding agency guidelines, and any other applicable rules and regulations.

d. The Office of Research and Sponsored Programs has primary responsibility for determining if pay above base annual salary funded from sponsored programs is in compliance with funding agency guidelines and other applicable rules and regulations. The Office of Research and Sponsored Programs will notify divisional vice presidents, Human Resources, Faculty and Academic Resources, and other administrators of non-compliance so that they may take corrective action where necessary.

For non-sponsored programs, account managers have primary responsibility for assuring that payments made for pay above base annual salary are reasonable, appropriate, and in accordance with this policy and other applicable policies and regulations.

For sponsored programs, the PI has primary responsibility for assuring that pay above base annual salary payments are in accordance with funding agency guidelines and other applicable rules and regulations.

e. The administrative chain of command up through the divisional vice president of each account manager has secondary responsibility for assuring that payments made for pay above base annual salary are reasonable, appropriate, and in accordance with this policy and other applicable regulations, including those of external funding sources.

f. Employees who receive pay above base annual salary have responsibility for knowing the rules, regulations, and policies under which they can be paid such amounts.

03.04 Non-Compliance

a. Consequences of non-compliance with pay above base annual salary policies of the funding source, the university, and other federal and state rules and regulations may include:

1) loss of funding for the specific sponsored program in question;

2) repayment of funds expended on pay above base annual salary;

3) jeopardizing future projects with the sponsor in question (and other federal and state sources, where applicable);

~~4~~) suspension of the PI from future privileges for applying for grant and other sponsored program funding; and

5) disciplinary action against responsible individuals, including those in the supervisory chain of command.

1. In the event a funding source requires repayment because of a policy violation regarding pay above base annual salary, the college or staff department that has managerial oversight for the sponsored program must identify funds within their college or staff department to make the repayment.
2. Employees who receive pay above base annual salary in amounts that violate this policy must repay those amounts.

03.05 Exceptions

a. The vice president for Finance and Support Services, in writing, may approve exceptions to this policy for extraordinary circumstances, prior to commencement of the work for which this exception is proposed.

b. The vice president requesting the exception must provide copies of any exceptions to the Office of Research and Sponsored Programs, Human Resources, the employee, and any appropriate office in the employee’s chain of command.

c. The university will not make exceptions that contradict federal or state regulations or funding source guidelines.

**04. REVIEWERS OF THIS UPPS**

04.01 Reviewers of this UPPS include the following:

Position Date

Assistant Vice President for October 1 E5Y

Human Resources

Associate Vice President for Financial October 1 E5Y

Services

Director, Faculty and Academic October 1 E5Y

Resources

Associate Vice President for October 1 E5Y

Research and Sponsored

Programs

**05. CERTIFICATION STATEMENT**

This UPPS has been approved by the following individuals in their official capacities and represents Texas State policy and procedure from the date of this document until superseded.

Assistant Vice President for Human Resources; senior reviewer of this UPPS

Vice President for Finance and Support Services

President