

SAP 31.01.01.T1.02 Compensation for Faculty Research and Service



Approved: November 3, 2014
Next Scheduled Review: November 3, 2019

Procedure Statement

At times, faculty may take on compensated, professional responsibilities that replace or supplement their full-time appointment. Examples of additional responsibilities include, but are not limited to, overload teaching, administrative service, research, and consulting. However, faculty salary supplementation is limited and regulated by federal and state regulations, The Texas A&M University System (system) policies and regulations, and Tarleton State University (Tarleton) rules and procedures.

Reason for Procedure

This procedure clarifies the circumstances under which faculty may receive standard or supplemental compensation for grant, contract, or consulting activities.

Procedures and Responsibilities

1. RESPONSIBILITY

A set of limited circumstances exist for which compensation above an approved base salary may be justified. In the interest of managing compensation for research, scholarship and creative activities, and service, which are considered to be part of the normal expectations for faculty on campus, guidelines are derived from federal and state regulations as well as common system and university administrative practices, policies, and procedures.

2. SALARY COMPENSATION LIMITS

2.1. Academic Year and Fiscal Year Salary Limitations

- 2.1.1 Academic year faculty will not supplement their 9 month salary with grant funds during the academic year period. Federal policies restrict supplementing 9 month salaries with federal grant funds in most cases. Academic year faculty, with approval of their department head and dean, may reduce their 9 month salary and replace those dollars with grant funds if their workload expectations (percentages) are adjusted.
- 2.1.2 Academic year base salaries (9 month salary) may be supplemented by a variety of stipends or adjustments such as administrative stipends (for department head or director), awards, academic year overload teaching, academic year continuing education teaching, or other service-related activity outside of expected responsibilities. These additional forms of compensation are restricted by policy and have explicit pre-approval requirements. These supplemental sources of compensation do not figure into the calculation of the academic year base salary.
- 2.1.3 Fiscal year appointed personnel (12 month faculty, administrators and exempt professionals) may not supplement their fiscal year base salaries, generally. However, fiscal year employees may accept monetary awards acknowledging their service or accomplishments (see section 3).
- 2.1.4 Fiscal year faculty members earning salary derived from federally funded grants and contracts are closely monitored. The federal government circular, [OMB Circular A-21](#), discourages federally-supported fiscal year faculty appointments from taking on additional duties and receiving additional compensation. Federally-supported fiscal year faculty earning additional remuneration must document that their workload and hours committed to their federally-funded project remain the same. The federal government further requires that pre-approval be granted by both the university and by the funding agency prior to any additional remuneration being received.
- 2.1.5 Fiscal year faculty members should note that federal policy recognizes as a normal workload the hours and effort historically associated with an appointment. Thus, a normal work week of a research faculty member may often be considered as more than 40 hours long. As such, taking on additional duties (teaching, scholarly and creative activities, and service) for pay outside of normal workday hours may not be sufficient justification if the normal workday hours are already extended. Federally-supported fiscal year faculty contemplating additional duties and remuneration should first consult with their department head or and their funding agency.

2.2 Summer Salary Limitations

- 2.2.1 For academic year appointed faculty, university rules and procedures allow for a maximum of an additional 3 month salary equivalent (3/9ths) to be earned for additional activities conducted in the summer months. (Federal regulations similarly restrict summer earnings from federal grants to an additional 3/9ths.) This additional 3/9ths is calculated from the academic year base of 9 months, not on the total academic year compensation; hence a faculty member's fiscal year earnings are restricted to a maximum of the 12 month equivalent (12/9ths) of the academic year base salary. Any exceptions to this 12/9ths limitation require *prior* approval of the dean's office and the Office of Academic Affairs, and may require *prior* approval by other offices and federal agencies as necessary.
- 2.2.2 Summer salary is restricted to 3/9ths of the academic year base salary, regardless of the source(s) of the summer salary. Usually, a faculty member who wants to take on optional advising, teaching, or other paid activities must reduce their grant funded salary accordingly so that the sum from all sources does not exceed 3/9ths during the summer. Also, compensation for summer teaching as well as for Continuing Education instruction is considered when calculating the 3/9ths summer salary total. Abbreviated session teaching (May, August, or December) is considered summer or academic year teaching and not overload.
- 2.2.3 The rate of salary paid an employee during the summer session for intensive research responsibilities may exceed the salary rate paid the employee during the preceding academic year under certain conditions. Intensive research compensation must be paid strictly from external research funds and must be approved by the provost and executive vice president for academic affairs (VPAA) and the president before the appointment is granted.

Documentation should clearly communicate that the research appointment will be contingent upon continued funding by the external grant agency. The following should also be provided with the letter of offer and/or the appointment letter:

- documentation from an external grant agency indicating time and effort commitments during the period in question;
- documentation stating the granting agency's willingness to fund the faculty member's salary;
- documentation that the research being conducted is particularly intensive; and
- documentation that the research is a non-instructional activity.

- 2.2.4 Summer compensation derived from revenues that are specifically designated for a faculty member's appointed position, such as an endowed professorship, where no effort is required to receive the compensation, is not subject to the 3/9ths summer salary limitation.

- 2.2.5 Administrative stipends, such as those for department heads and faculty directors, are subject to the 3/9ths summer salary limitation.
- 2.2.6 Compensation by entities not associated with the university for consulting activities directly related to a faculty member's academic and professional discipline during either the academic year or during the summer is not factored into summer pay; however, work activity is regulated under [System Regulation 31.05.01, Faculty Consulting and External Professional Employment](#).

3. ADDITIONAL PAY

Faculty academic year salaries are considered to be compensation for the labors and efforts in the areas defined by individual workload formulation and percentage (usually a defined mix of teaching, scholarly and creative activities, and service). The 9 month academic year salary is considered full compensation for all usual and reasonable activities associated with each of these areas. Special stipends and additional pay are prohibited as supplementary compensation for those usual and reasonable activities.

3.1. Compensation for Research

- 3.1.1 Compensation of academic year faculty during the summer months from grants or contracts awarded to or administered by the university is allowed at rates not to exceed 1/9th of the academic year salary per summer month and is guided by state and federal regulations.
- 3.1.2 Faculty members on academic year appointments may not earn additional salary for research or scholarly activities during the academic year. With permission from their dean, a faculty member may reduce their academic year salary from the university in order to accept compensation from research grants and contracts during the academic year; however, research salary plus university salary normally may not exceed the academic year monthly rate (1/9th).

3.2. Compensation for Teaching

Additional pay may be earned by academic year faculty for supplemental or "overload" teaching activities (defined as those activities in excess of teaching activities expected as part of the defined workload formula) subject to certain conditions and limitations. Compensation policy distinguishes between academic year teaching and teaching during the summer. Academic year teaching may sometimes be considered as overload teaching and thus is not considered part of a 9 month calculation. Most federal funding agencies consider summer teaching an overload activity. As such, compensation for summer teaching is considered part of the summer 3/9ths salary calculation.

- 3.2.1 Summer and Continuing Education instruction are typical forms of teaching activities for which additional compensation to academic year faculty is allowed. The pay schedule for these activities is set by the dean in consultation with the Office of Academic Affairs.
 - 3.2.2 Overload teaching within a 9 month faculty member's department during the academic year may be compensated for by adjustments in the teaching workload in a subsequent semester or by favorable compensation as part of the annual merit evaluation process. With approval by the department head or dean, overload teaching within the department may be compensated by additional pay at a rate defined by the college or university.
 - 3.2.3 Academic year faculty with reduced classroom teaching duties as part of a differentiated workload agreement shall not normally be eligible for compensation for overload teaching. Departments seeking to provide additional pay for overload teaching activities shall consult with their dean's office before offers are made. Additional pay for overload teaching is subject to review by the dean or his/her designee.
 - 3.2.4 Compensation for teaching during summer or abbreviated sessions is not considered overload teaching and compensation for such teaching is, therefore, not excluded from the 3/9ths summer or 12/9th fiscal year calculation.
- 3.3 Compensation for Service
- 3.3.1 Additional pay for service activities will be approved in limited circumstances, only. Service during the academic year to other departments or colleges, service to university committees or organizations, or participation in university activities are examples of activities that all faculty members should expect to undertake without additional compensation as part of their service obligation to the university. This is particularly true of faculty members holding the rank of associate professor or professor.
 - 3.3.2 Service that includes a significant leadership or supervisory responsibility may be eligible for additional pay compensation when it is not a regular and ongoing component of a faculty member's workload formula. Approval by the Office of Academic Affairs is required in advance of any compensation for service activities, either as stipends or as additional pay.
 - 3.3.3 Academic year faculty may be compensated for performances or lectures offered in service to other university offices and organizations (usually referred to honoraria). Honoraria may be accepted only in accordance with System Policies [07.01, Ethics](#), and [07.04, Benefits, Gifts and Honoraria](#).

- 3.3.4 Exempt professional employees are salaried employees and, if on 100% time appointments, are not eligible for additional pay for additional work. All other additional compensation to exempt professional employees must be consistent with system policies and regulations and university rules and procedures.
 - 3.3.5 Compensation for service, teaching, or research activities that does not include additional pay but does involve transfer of funds from one university account to another account designated for or controlled by the faculty member providing the service shall be subject to the same review and approval procedures. Reimbursements for actual documented expenses do not fall under these review and prior approval procedures.
- 3.4 Recognition Awards to Faculty
- 3.4.1 Academic year faculty and fiscal year faculty are both eligible to receive monetary awards for exceptional service, teaching, research, creative work, or contributions to the community. Approved awards do not contribute to 3/9th or 12/9th salary totals.
 - 3.4.2 Recognition award program approval and implementation policies are the same for both faculty and staff employees.
 - 3.4.3 The monetary value of recognition awards is limited by state regulation and system policy.

Related Statutes, Policies, or Requirements

[Tarleton SAP 31.01.01.T1.01, Compensation Administration](#)

[System Regulation 31.01.01, Wage and Salary Administration](#)

[System Regulation 31.05.01, Faculty Consulting and External Professional Employment](#)

[System Policy 07.01, Ethics](#)

[System Policy 07.04, Benefits, Gifts and Honoraria](#)

[System Regulation 31.01.10, Service Awards](#)

[OMB Circular A-21, Cost Principles for Educational Institutions](#)

Definitions

Academic year: September to May. Most regular faculty (instructor, assistant, associate, full professor) appointments are academic year appointments.

Fiscal year: September 1 through August 31. Most administrative faculty and research faculty appointments are fiscal year appointments.

Faculty: This procedure is directed to faculty on 100% academic year or fiscal year appointments. Faculty on less than 100% time appointments, as defined in their letter of appointment or reappointment, may take on additional duties and compensation equivalent to 100% full time effort.

Academic year base salary: Also referred to as the “9 month” salary, academic year base salary is the sum paid in consideration of normal services rendered during the academic year. This sum is generally paid out over nine monthly installments. One-ninth (1/9th) academic year salary refers to the amount earned monthly. Faculty members who elect to have their 9 month salary paid to them over 12 months have made an independent personal financial management decision, and such a decision does not impact any procedures outlined above.

Fiscal year base salary: Also referred to as “12 month” salary. Exempt professional employees and faculty on fiscal year appointments are generally paid at an annual or a monthly rate. When exempt professional employees and fiscal year faculty are on 100% full time appointment, their annual salary is considered equivalent to the 12 month formulation used when talking about salaries of academic year faculty appointments.

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