Supplemental Pay for Faculty and Professional Staff

January 2015 (REV. 9/3/15)

I. Purpose

The purpose of this policy is to provide uniform and consistent standards regarding supplemental pay for Rose-Hulman Institute of Technology faculty and staff. With the acceptance of a full-time appointment at Rose-Hulman, an individual makes a commitment to the Institute that is understood to be full-time in the most inclusive sense. Full-time employees are expected to devote their primary professional loyalty, time and energy to their teaching, research, administrative responsibilities, service activities, and other duties as defined by the nature of their appointment.

II. Scope

This policy applies to supplemental pay paid to Rose-Hulman Institute of Technology faculty and staff through the Institute’s Human Resource (HR) Office. This Policy is not intended to modify any of the existing policies or procedures governing the administration of Institute salaries or external consulting as described in the Faculty and Staff Handbooks. This policy is, however, Institute-wide and supersedes all other supplemental pay policies at the department or unit level. No existing employment agreement or pay practice in effect at the adoption or revision of these guidelines shall be voided. Supplemental pay shall not be allowed in any circumstance that violates or potentially conflicts with any federal, state or local governmental agency or funding source (e.g. NSF, NIH, DOD, and DOE).

III. Definitions

For the purposes of this Policy, the following definitions apply:
A. Base Salary

The base salary is the annual salary of the employee as it appears in the annual appointment letter.

The base salary does not include other payments or stipends.

B. Contract Period

1. Academic Year Appointment - The contract period is for the Academic Year, which traditionally begins in late August and ends in late May of each year.

2. Fiscal Year Appointment - The contract period for the Fiscal Year is for all twelve months of the year (July 1—June 30), including all Institute-recognized holidays.

3. Quarter Appointment - The contract period is for a single quarter during the Academic Year, which generally approximates 13 weeks in duration. The contract period includes Institute-recognized holidays, and breaks during the quarter of appointment.

4. Other Appointment - The contract period is designated by a number of days different from those customarily specified as Academic Year, Fiscal Year, or Quarterly Appointment.

C. Daily Rate (As appropriate)

1. Academic Year Employees - The daily rate calculation = base salary / 195 days.

2. Fiscal Year Employees – The daily rate calculation = base salary / 260 days.

3. Quarter Employees - The daily rate calculation = base salary / 65 days.

4. Other Appointment Employees- The daily rate is calculated based upon a regular 5 day work week.

E. Supplemental Pay

Defined as all pay beyond the employee’s base salary, whether originating internally or externally, and processed through Institute Payroll and Employee Benefits.

Pay is earned when effort is performed, without regard to when payment is issued.

Supplemental pay includes summer salary. Supplemental pay does not include Institute awards, prizes, gift or incentives as defined by the Office of the Controller. Awards for length of service,
retirements, meritorious service, and other miscellaneous awards, prizes, gifts and incentives are not considered supplemental pay.

*Note- Associated fringe benefits must accompany all externally funded supplemental pay; that is, the funding of supplemental pay from an external sponsor must include the funding of fringe benefits, as well. If a sponsor does not allow the funding of fringe benefits, and documentation of that non-allowability is supplied, exceptions may be approved by the appropriate VP.*

IV. POLICY (REV. 9/3/15)

During the contract period, supplemental pay is generally unallowable. Exceptions to this policy may be approved when the pay is either (a) externally funded or (b) in support of one of the Institute’s specific strategic initiatives as identified by the President and Institute leadership.

Total supplemental pay from all Institute sources in the aggregate, during the contract period, may not exceed 1/9th of an academic year appointment salary or 1/12th of a fiscal year appointment salary. Total pay from all Institute sources in the aggregate, in any one fiscal year may not exceed the equivalent of 13/12ths of the annualized base salary. (Note: Annualized base salary = salary as indicated on the annual appointment letter for staff and twelve month faculty (administrators); salary as indicated on the annual appointment letter for nine month faculty x 12/9ths.)

[For example: a professor is being paid for teaching Summer Session’s 1 and 2, and working on a 1-month summer grant. Assume that the professor’s academic year salary is $90k. Further let’s assume that s/he is paid $10K for each summer session course and $15K for a summer grant. The professor earns $90K for the academic year. Accordingly s/he meets the constraints of the first sentence above. Then the professor earns an additional $35K during the summer ($10K for each course and $15K for the grant). The professor satisfies the second sentence above since s/he earned a total of $125K during the entire year which is less than $130K total compensation that is allowed by the policy (i.e., 13/12ths of the annualized base salary of $120K).]

Supplemental pay is not normally allowable for the following administrative personnel: President, Vice-Presidents, Associate or Assistant Vice-Presidents, Deans, Associate Deans or Assistant Deans. Exceptions must be approved by the President.

V. APPROVALS

- All approvals are secured by completion and routing of the supplemental pay request located on Banner Web. Click on the “Employee” tab and then “Supplemental Pay Requests”.
- Any/all supplemental pay must be approved by the employee’s immediate supervisor and/or department head as appropriate.
- Supplemental pay funded from external (sponsored) sources must also be approved by the principal investigator (PI).
- In the case of personnel with an academic appointment, approvals must also be obtained from the Dean of the Faculty and the VPAA. Additionally, approval must be obtained from the
SVP/CAO to assure potential grant compliance and other budgetary issues are appropriately addressed.

- In the case of personnel with a staff/administrative appointment, approvals must also be obtained from the area VP and the SVP/CAO.
- Any/all exceptions to the above must also be approved by the President of the Institute. As previously stated, activities funded via external sources and those supporting specific institutional strategic initiatives as established by the President and Institute leadership will be given priority in consideration of exception approval.