



University of Colorado at Boulder

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TO: Deans, Chairs, and Directors

FROM: Todd T. Gleeson, Associate Vice Chancellor for Faculty Affairs

SUBJECT: Guidelines for Additional Pay to Regular and Research Faculty and Exempt Professional Employees

AMMENDED DATE: February 23, 2000 to include Campus Policy on Salary Compensation Limits (original policy dated February 9, 1999).

This document articulates Boulder campus policy in two areas related to faculty and exempt professional employee salary limitations and supplements. This articulation was prompted by several events. Recent specific inquiries and the introduction of Maymester have prompted the Boulder campus to re-articulate its policies regarding limitations on salary earned in a single fiscal year). In 1998, the Academic Affairs Budget Advisory Committee recommended to the Vice Chancellor that the Office of Faculty Affairs review and define a set of limited circumstances for which compensation above the approved base salary may be justified. Their interest was in curbing compensation for service activities which they considered to be part of the normal expectations for faculty on campus. The Vice Chancellor has asked that all units adhere to the guidelines below, which are derived from Federal policies as well as common administrative practices, policies, and traditions across the campus.

This memo is divided into four parts: a short section on definitions, a second section that deals with salary limitations, a third section that describes conditions when additional pay may be authorized, and a final section that offers an example. This document is posted in the Online Desk Reference at <http://www.Colorado.EDU/facultyaffairs/deskref>.

Part I. DEFINITIONS

Academic year: August to May, abbreviated “AY”. Most regular faculty (instructor, assistant, associate, full professor) appointments are AY appointments.

Fiscal year: July 1 through June 30, abbreviated “FY”. Most Libraries faculty and research faculty (professional research assistant, research associate series, research professor series) appointments are FY appointments.

Faculty: This policy is directed to faculty on 100% AY or FY 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. Aspects of these policies that apply to exempt professional employees are covered in Section II.A.3 and Section III.C.5.

Academic year salary: Sometimes also referred to as the “base salary rate”, AY salary is the sum paid in consideration of normal services rendered during the academic year. This

sum is described as 9/9th of an AY faculty member's salary, recognizing that the sum is generally paid out over nine monthly installments. One-ninth (1/9th) AY salary refers to the amount earned monthly. See line A of the example, below. Faculty members who elect to have their 9/9ths salary paid to them over 12 months have made an independent personal financial management decision, and such a decision doesn't impact any of the policies below.

Fiscal year salary. Exempt Professional employees and faculty on FY appointments are generally paid at an annual or a monthly rate. When exempt professional employees and FY faculty are on 100% full time appointment, their annual salary is considered equivalent to the 12/9ths formulation used when talking about salaries of AY faculty appointments.

Part II. SALARY COMPENSATION LIMITS

II.A. ACADEMIC YEAR & FISCAL YEAR SALARY LIMITATIONS

1. Campus policy prohibits AY faculty from supplementing their 9/9ths salary with grant funds during the academic year period. Federal policies similarly restrict supplementing 9/9ths salary with federal grant funds in most cases. AY faculty, with approval of their chair/director and dean, may reduce their 9/9ths salary and replace those dollars with grant funds if their workload expectations are similarly adjusted.
2. Academic year base salaries (9/9ths) may be supplemented by a variety of stipends and other adjustments. These include administrative stipends (as for a chair or director), awards, academic year overload teaching and academic year continuing education teaching. These additional forms of compensation are themselves restricted by policy (see Part III), and have explicit pre-approval requirements. These supplemental sources of compensation do not figure into the calculation of 9/9ths (see line A of example).
3. Fiscal year appointed personnel may not, in general, supplement their fiscal year salaries. However, fiscal year employees may accept monetary awards acknowledging their service or accomplishments. Many FY faculty members earn salary derived from federally funded grants and contracts. The Federal government policy on the subject of additional remuneration (Circular A-21) effectively discourages federally supported FY faculty appointments from taking on additional duties and receiving additional compensation. Federally supported FY faculty earning additional remuneration must be able to 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. FY 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 (research, teaching, service) for pay outside of normal workday hours may not be sufficient justification if the normal workday hours are already extended. Federally supported FY faculty contemplating additional duties and remuneration should first consult with their appropriate dean's office and their funding agency.

II.B. SUMMER SALARY LIMITATIONS

1. For academic year appointed faculty, campus policy allows for a maximum of an additional 3/9ths to be earned in compensation for additional activities (of all types) conducted in the summer months. (Federal policies similarly restrict summer earnings from federal grants to an additional 3/9ths.) This additional 3/9ths is calculated from the academic year base of 9/9ths, not on the total AY compensation. See line B of example. Hence campus policy restricts a faculty member's fiscal year earnings to a maximum of 12/9ths of the academic year base salary, exclusive of approved academic year additional pay. See line C of the example. Any exceptions to this 12/9ths limitation requires *prior* approval of the dean's office and the Office of Faculty Affairs, and may require *prior* approval by other offices and federal agencies as well.
2. Summer salary is functionally restricted to 3/9ths of the AY base salary, regardless of the source(s) of the summer salary. Normally, 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. Compensation for summer teaching for Summer School as well as summer teaching for Continuing Education is also considered when calculating the 3/9ths summer total. Compensation for Maymester teaching is considered summer teaching, not academic year overload teaching.
3. Summer compensation derived from Foundation revenues that are specifically designated for a faculty member's appointed position (usually an endowed chair or an endowed professorship) is not subject to the 3/9th summer salary limitation.
4. Compensation by entities not associated with the University for consulting activities during either the academic year or during the summer is not restricted in dollar amount. The amount of time an AY faculty member may dedicate to consulting activities during the academic year, however, is restricted under a separate policy often referred to as "The 1/6th Rule." FY faculty are also allowed to consult 1/6th of their time.

Part III. POLICIES ON ADDITIONAL PAY

Faculty academic year salaries are considered to be in compensation for the labors and efforts of faculty in the areas defined by their individual workload formulation (usually a defined mix of teaching, research or creative work, and service). The nine 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.

III.A. COMPENSATION FOR RESEARCH AND CONSULTING

1. Compensation of AY faculty during the summer months from grants or contracts awarded to or administered by the University is allowed at rates not to exceed 1/9 of the academic year salary per summer month and is guided by policies of the Graduate School and the federal government. Compensation by entities not associated with the University for consulting activities during the summer is not restricted. Compensation for consulting during the academic year is subject only to time limitations defined by the one-sixth rule, not by dollar limitations.
2. Faculty members on AY appointments may not earn additional compensation 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, but research compensation plus University salary normally may not exceed the academic year monthly rate (1/9th).

III.B. COMPENSATION FOR TEACHING ACTIVITIES

Additional pay may be earned by AY 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 the conditions and limitations below.

1. Summer School and Continuing Education instruction are the most typical forms of teaching activities for which additional compensation to AY faculty is allowed. Compensation for these activities is provided according to a pay schedule set by the college or school dean in consultation with Dean of Continuing Education and Associate Vice Chancellor for Summer School.
2. "Overload" teaching within a AY faculty member's "home" unit during the academic year generally 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 dean or his/her designee, overload teaching within the home unit may be compensated by additional pay at a rate defined by the college or school. In units without departmental structure, approval of the Vice Chancellor for Academic Affairs is required.
3. Overload teaching for units other than the home unit may be compensated by additional pay or stipend as long as the home unit's director, chair, or dean certifies by authorizing signature on the PAF that the teaching expectations and other responsibilities within the home unit are also being met.
4. AY Faculty with reduced classroom teaching duties as part of a differentiated workload agreement shall not normally be eligible for compensation for overload teaching. Units seeking to provide additional pay for "overload" teaching activities should consult their dean's

office before offers are made. Additional pay for “overload” teaching is subject to review by the dean or his/her designee.

III.C. COMPENSATION FOR SERVICE ACTIVITIES

1. Additional pay for activities in service to the University will be approved only in limited circumstances. Service during the academic year to other departments, schools, 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.
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. AY Faculty may be compensated for performances or lectures offered in service to other University offices and organizations. Units or individuals wishing to offer additional pay (often referred to as honoraria) for performances or lectures should consult their dean’s office before offers are made to individuals to determine that the activity under consideration qualifies as compensated service.
4. AY and FY faculty may be compensated for college, campus, or University awards that have been made honoring research, teaching, or service activities. Department level monetary awards should be approved in advance by the responsible dean.
5. Deans, chairs, and directors supervising exempt professional employees need to be aware that members of the exempt professional staff are salaried employees and if on 100% time appointments are not eligible for additional pay for additional work by Regent policy. Exceptions by title have been pre-approved by act of the Regents. All others require prior approval by the Vice Chancellor. Exempt professional employees who are required to assume additional duties on a temporary basis (usually associated with a vacancy in another position) should be appointed to an appropriate interim position. Interim appointments, like all other exempt professional appointments, require prior approval by the Regents or their delegated authority before compensation can be changed or initiated. Retroactive compensation is denied in all but the rarest of cases.
6. 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.

Questions concerning these guidelines may be directed to the appropriate dean’s office or the Office of Faculty Affairs.

Part IV. EXAMPLE: ASSISTANT PROFESSOR ABLE

In this example, Professor Able earns \$45,000 for her nine month AY appointment. She also teaches one course for continuing education, and she received a monetary award for her teaching. Professor Able also pays herself from her NIH grant in the summer. Professor Able is also asked to teach in summer school.

AY base salary = \$45,000

Line A. 9/9ths = \$45,000; $(1/9 = (\$45,000 \div 9) = \$5,000)$

Additional earning for AY continuing education teaching = \$4,000

Monetary recognition of campus teaching award = \$1,500

Total academic year compensation = \$45,000 + \$4,000 + \$1,500 = \$50,500

Line B. Maximum allowable summer compensation (from all sources) = $3/9^{\text{th}} = \$15,000$

Professor Able pays herself this sum from her NIH grant.

Line C: Maximum FY salary = $9/9^{\text{th}}$ base + $3/9^{\text{th}}$ summer + additional AY earnings
= \$45,000 + \$15,000 + \$5,500 = \$65,500

(If Professor Able had accepted a summer school teaching appointment worth \$4,000, she would have had to reduce her NIH grant income by an equal amount (\$4,000) so that her summer income, from all sources, did not exceed $3/9^{\text{th}}$. Professor Able elected not to teach summer school.)

Ad hoc Salary Compensation Limits Committee:

Professor Hon-Yim Ko, Chair, Civil	Louise Vale, A&S
Lisa Chambers, Engineering deanery	Karla Wrapp, Faculty Affairs
Dean Anne Heinz, Cont Education	Liz Tomich, Faculty Affairs
Carol Mehls, Continuing Education	Associate Dean Paul Beale, A&S
Larry Nelson, Contracts and Grants	