Extra Service Compensation and Salary Savings Guidelines

Extra Service Compensation
Extra Service Compensation (ESC) is governed by USU Policy #376. To comply with this policy, and also with federal compensation regulations, we remind you of the following requirements.

1) ESC Forms must be approved prior to the start of the work. (376.3.1(6))

2) Extra Service Compensation cannot occur as a recurring assignment unless approved by the Provost. (376.3.1(1))

3) Summer month compensation for summer month work is not extra service compensation, and may occur repeatedly.

4) Compensation should coincide with the period of time the work is being performed. In Banner, compensation should not be submitted under “Summer Months” if work is being performed during the academic contract year.

Salary Savings
If work is performed during the academic year that is compensated by a source other than the faculty member’s state-line-funded appointment, this compensation should replace a portion of their salary. The associated “salary savings” would then become a resource that is under the dean/department heads control. A dean/department head can choose to re-invest the residual funding that is saved when a faculty member is paid from a source that replaces part of their state-line funding in a variety of ways:

1) Department heads may choose to use the residual funds to cover the expenses of hiring a temporary course instructor to cover the course, or for other department needs.

2) Salary savings could be used to support additional travel, hire TA’s or graduate assistants, upgrade equipment, or for other operating expenses.

3) Salary savings, or a portion of the salary savings, could be reinvested in the individual to perform work in the summer. The work that the individual and the department head agree will be done in return for the compensation should be documented.

FTE Distribution
For an individual who has been receiving extra service compensation on a recurring basis and is performing to all aspects of their role statement, the department head may choose to incorporate the work into the employee’s FTE.

For example: If John Doe is presently working 1.0 FTE at $36,000 and has historically taught two extra courses for an additional $4,000 overload, a department head could increase John’s teaching load to include the additional courses and increase the base to $40,000 with 10% dedicated to RCDE and $36,000 dedicated to E&G.

Should you choose this course of action, the employee should sign an acknowledgement of receiving payment from a variety of revenue streams. Acknowledging that any salary increases that may come from one source, may not be attached to another (i.e., E&G receives a 2% COL increase but RCDE funding does not increase; or a grant may have a built-in 3.5% COL increase and E&G funds remain flat). Should this happen, the FTE would be adjusted to reflect the revised breakdown.

Source: Provost’s Office       Date: Spring 2012