

## University Policy 376: Extra-Service Compensation

**Category:** Human Resources

**Subcategory:** Compensation

**Covered Individuals:** Benefit Eligible, Exempt Employees

**Responsible Executive:** Vice President for Finance and Administrative Services

**Policy Custodian:** Office of Human Resources, Associate Vice President of Human Resources

**Last Revised:** 2024/06/28

**Previous USU Policy Number:** N/A

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### 376.1 PURPOSE AND SCOPE

Utah State University (USU) recognizes that employees may make unusual contributions to the university that are both related and unrelated to their Primary Work Assignment. This policy establishes an institutional expression of support for appropriate, operations-based standards for Extra-Service Compensation (ESC).

### 376.2 POLICY

#### 2.1. Extra Service Compensation

Opportunities for consulting or other activities that fall outside of an employee's Primary Work Assignment are granted in accordance with Utah Code 67-16-1 et. seq., Utah Public Officers' and Employees' Ethics Act and as permitted under USU Policy 377: Consulting Service. Such activities shall be allowed at the University's discretion where a clear benefit to the University can be demonstrated.

Employees may provide Extra Service to USU beyond their Primary Work Assignment either for or without compensation, provided that the preparation and performance of such services do not impede the discharge of their duties under the Primary Work Assignment.

ESC shall not exceed 20% of the individual's Institutional Base Salary (IBS) without prior written approval of the Office of the Provost for academic units or the Office of the President for all non-academic units.

#### 2.2. Extra Service Compensation Unrelated to the Primary Work Assignment

##### 2.2.1 Extra Service Compensation Related to Sponsored Programs Sourced Funds

Extra and supplemental compensation from federal funds in Institutions of Higher Education (IHE) is governed by 2 § CFR 200.430 which requires that like funding be treated consistently under like circumstances by the university. Thus, all external funding shall be subject to the regulatory guidance in 2 § CFR 200.430(h)(ii)(3) as follows: "Intra-IHE consulting by faculty should be undertaken as an IHE responsibility requiring no compensation in addition to IBS. However, in unusual cases where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the faculty member is addition to his or her regular responsibilities, any charges for such work representing additional compensation above IBS are allowed provided that such consulting arrangements are specifically provided for in the Federal award or approved in writing by the Federal awarding agency." This principle applies to employees who function as consultants for sponsored agreements conducted under the direction of other university employees.

ESC from external funds can be allowed for faculty and other exempt employees when **all** the following conditions are met:

- 1) The request does not exceed the Base Salary Earnings Rate based on the employees Institutional Base Salary, which is that compensation provided to an employee for fulfillment of their Full Workload.
- 2) The employee will perform a role outside of the individual employee's organizational unit or is otherwise different from their Primary Work Assignment. Employees may not receive compensation for Extra Service work on projects for which they serve as PI or Co-I.
- 3) Work is demonstrably in addition to the employee's Full Workload for the reporting period during which it will be performed.
- 4) The request is specifically proposed and included in the approved budget and/or agreement with the sponsoring agency or otherwise approved in writing by an authorized agency representative. If not specifically and explicitly provided for the approved proposal, budget and/or award, an official sponsor approval must be obtained before any extra contractual work is done. By itself, agency approval for Extra Service shall not be considered as a waiver for requirements 1-3 above.
- 5) The request is approved in advance by the Vice President for Research. Review and support will be required of the individual's department head, supervisor, dean and/or vice president as appropriate to submission to the Office of Research. Any request for above 20% will also require approval by the provost or the president.

#### **2.2.2 Extra Service Compensation from Non-Sponsored Programs Sourced Funds**

USU's Disclosure Statement to the Federal Government (DS-2) requires the institution to use the same salary and wage distribution system for all like employees, regardless of the source of their compensation. Thus, USU uses consistent practices for identifying, charging, and reporting all personnel costs, including its method of identifying which activities will be included in the Full Workload (and therefore the IBS) and which will not.

As a result, ESC from all non-sponsored programs sourced funds must meet **all** of the following restrictions:

- 1) The Extra Service is compensated at a rate not to exceed the Institutional Base Salary Earning Rate which is based on the employee's Institutional Base Salary (the compensation provided to an employee for the fulfillment of the employee's Full Workload).
- 2) The work is outside the scope of the employee's required job expectations, as set forth in the Primary Work Assignment.
- 3) Work is demonstrably in addition to the employee's Full Workload for the reporting period during which it was performed.
- 4) The Extra Service is based on temporary and unusual circumstances, and funds have been allocated to pay for the services.
- 5) The request is approved in advance by the Office of the Provost for academic units or the Office of the President for all non-academic units. Review and support will be required of the individuals' department head, supervisor, dean and/or vice president as appropriate prior to submission to the provost or president.

### 2.3. Extra Service Compensation Related to the Primary Work Assignment

Only in the most unusual circumstances, outcomes and activities focused on furthering the institutional missions of discovery, learning and engagement, which are exclusively funded from unrestricted and non-sponsored programs sourced funds, which are also related to the Primary Work Assignment can qualify for Extra Service Compensation.

ESC related to the Primary Work Assignment should not be used as a regular supplement to an individual's salary.

Requests for ESC related to the Primary Work Assignment may not exceed the Institutional Base Salary Earning Rate and must be approved in advance by the Office of the Provost for academic units or the Office of the President for all non-academic units.

### 2.4. Relationship of Extra Service Compensation to Non-appointment Payments

USU allows faculty and other exempt employees with appointments of less than 12 months to receive compensation at their Institutional Base Salary Rate for periods up to 12 months per fiscal year based upon the conduct of research, teaching, or other duties that are consistent with federal and USU policy and that do not conflict with the faculty member's Primary Work Assignment. This compensation is not Extra Service.

Non-appointment compensation is subject to effort reporting and certification. Effort and compensation for such work should therefore occur in parallel with, or in replacement of the employee's Primary Work Assignment, and may be expended at any time during the fiscal year. Thus, employees working during periods not included in their academic appointments shall, when appropriate, utilize any non-appointment period available to them to reach this 12-month capacity for salary compensation before any ESC will be approved.

USU does not limit an employee's opportunity to receive compensation paid directly by a non-USU funding source as per [USU Policy 377: Consulting Service](#).

### 2.5. Incidental Work

Incidental Work is that work which is accomplished by an individual in excess of his/her Full Workload, as follows:

- 1) Incidental Work that is carried out within the institution and paid for as Extra Service Compensation must be documented in the University's financial management systems, though it shall not be reported or certified according to Policy 582: Time and Effort Reporting.
- 2) Incidental Work that is provided without compensation shall be reported to the immediate supervisor in order to avoid conflicts of interest (USU Policy 545: Individual Conflicts of Interest), including conflicts of commitment.
- 3) Incidental Work performed outside the university is neither reported in the time and effort or payroll systems, nor documented in the University's financial management systems; however, documentation of consulting leave time is required as set forth in USU Policy 377: Consulting Services.

## 376.3 RESPONSIBILITIES

### 3.1 Vice Presidents, Deans, Department Heads, and Supervisors

Work with employees to ensure compliance with federal agency requirements and expectations. Review Extra Service opportunities with employees before they occur to ensure that interference or conflict with

the employee's Primary Work Assignment is avoided or appropriately managed. Departments and colleges will bear primary responsibility for repayment of disallowed Extra Service Compensation costs.

### 3.2 Employees

Accurately complete the Request for Extra Service Compensation Form and obtain supervisory approvals prior to submission. Disclose conflicts of interests as they arise (see USU Policy 545: Individual Conflicts of Interest).

## 376.4 REFERENCES

- OMB Uniform Administrative Requirements, Cost Principles, and Audit Requirement for Federal Awards; 2 § CFR 200.430, Compensation – Personal Services
- Utah Code 67-16-1 et. seq, Utah Public Officers and Employees' Ethics Act

## 376.5 RELATED USU POLICIES

- [USU Policy 377: Consulting Service](#)
- [USU Policy 404: Faculty Appointments](#)
- [USU Policy 405: Tenured and Term Appointments; Evaluation Promotion, and Retention](#)
- [USU Policy 545: Individual Conflicts of Interest](#)
- [USU Policy 582: Time and Effort Reporting](#)

## 376.6 DEFINITIONS

### 6.1 Extra Service

Any service rendered to the University that is not specifically identified as part of the employee's Full Workload. Extra Service shall be clearly identified and approved in advance as such in accordance with this policy and Policy 404: Faculty Appointments.

### 6.2 Full Workload

Full workload for an employee shall be that workload for which an employee is compensated by the university, exclusive of compensation for incidental work. For exempt employees, it shall be that workload specified in the primary work assignment for a given period. The more closely an activity is associated with the USU's compensation and reward systems, the more likely it will be included in the Full Workload.

### 6.3 Institutional Base Salary (IBS)

Institutional Base Salary (IBS) shall be the salary paid by the institution for the performance of the full workload by a given employee. It may be based on appointments of differing lengths, such as the academic year, eleven months, or twelve months. IBS shall be calculated in accordance with Budget Office Guidelines - Salary Definitions. The IBS may change based on significant, non-temporary changes in the Primary Work Assignment or because of salary increases approved by USU.

### 6.4 Institutional Base Salary Earning Rate

The Institutional Base Salary Earning Rate shall be calculated based on the compensation level at which an employee is paid for their appointment term, divided by the number of months of that term. An employee shall not earn compensation from USU sources more than the base salary rate in any given month, except as allowed under this policy, Extra Service Compensation or through a specially approved administrative one-time payment.

## 6.5 Institutional Payout Rate

The Institutional Base Salary Earning Rate may differ from the amount of compensation actually paid to an employee during a given month because salary for an appointment of less than 12 months is distributed across 12 months in the payroll system. For details concerning distribution of pay over a period different from the appointment term, contact the Controller's Office.

## 6.6 Primary Work Assignment

The Primary Work Assignment is the basis upon which the University sets its expectations of an employee's duties and allocation of effort. USU utilizes the following methods to establish the Primary Work Assignment:

- For Faculty: The primary work assignment is derived from the Role Statement (see USU Policy 405: Tenured and Term Appointments: Evaluation, Promotion and Retention).
- For Non-Faculty Exempt Employees: The primary work assignment is derived from the Office of Human Resources most recent position description available for that employee, which documents the responsibilities, functions, and requirements of each job. Expectation for the allocation of effort is also reflected in USU's annual Budget/Salary Planner process.

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## RESOURCES

### Procedures

- 376-PR1

### Guidance

### Related Forms and Tools

### Contacts

- Office of the Provost and Chief Academic Officer; Financial Officer, Office of Research

## POLICY HISTORY

Original issue date: 1997/01/24

Last review date: 2024/06/28

Next scheduled review date: 2027/06/01

Previous revision dates: 2015/03/06