Supplemental Compensation for Faculty and Professional Personnel
Ball State University

08/19/2011

Revised 01/13/2012; 2/13/13; 7/1/14

I. Purpose

The purpose of this policy is to provide uniform and consistent standards regarding supplemental compensation for Ball State University faculty and professional personnel. With the acceptance of a full-time appointment to the University, an individual makes a commitment to the University 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 compensation paid to Ball State University faculty and professional personnel in benefits-eligible positions through the University Payroll and Employee Benefits Office. This does not include University appointed directorships and distinguished/endowed professorships or awards, prizes, gift or incentives as defined by the Office of the Controller. This Policy is not intended to modify any of the existing policies or procedures governing the administration of University salaries or external consulting as described in the Faculty and Professional Personnel Handbook. The policy is, however, University-wide and supersedes all other supplemental compensation policies at the

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1 As of March 2014, this includes all employee banner E-Class groups except F4 & F5.

2 For example: awards for length of service, retirements, meritorious service, the A. Jane Morton Award and other miscellaneous awards, prizes, gifts and incentives.
department, college, or unit level. No employment contract in effect on the adoption or revision of these guidelines shall be abrogated.\(^3\)

III. Policy Statement

All supplemental compensation is to be paid at a rate that does not exceed the employee’s daily rate\(^4\). Supplemental compensation is not allowable on days used in conjunction with vacation time, sick leave, or designated university paid holidays. Compensation is earned when effort is performed, without regard to when payment is issued. Both supplemental compensation and direct effort are not allowable during overlapping time periods on the same grant, contract or other sponsored project.

Associated fringe benefits must accompany all externally funded supplemental compensation; that is, the funding of supplemental compensation from an external sponsor must include the funding of fringe benefits, as well.\(^5\)

A. Tenure Track Faculty –

1. During the contract period of appointment, supplemental compensation is generally unallowable for tenure track faculty, including while serving as PI or Co-PI on a grant or sponsored program.

The university has defined activities for which supplemental compensation may be allowable during the contract period of appointment. They are:

a. Teaching overloads per the Faculty and Professional Personnel Handbook
b. Administrative assignments
c. Non-load bearing instructional activities. Such activities typically occur across departmental lines, in a separate or remote location, and in addition to the regular departmental load.\(^6\)

Total supplemental compensation from all sources in the aggregate, during the contract period, may not exceed 12.5% of AY base salary in either the fall or spring semester, unless the valuation of two course overloads exceed the 12.5% maximum. In this case, and in accordance with the FPPH, faculty may teach two

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\(^3\)Compensation for non-University outside consulting that is not processed through University Payroll and Employee Benefits Office requires the filing of a Statement of Disclosure of a Conflict of Interest and/or Conflict of Commitment form.

\(^4\)Faculty & Professional Personnel in positions that are less than full time, may be paid at a Full Time Equivalent daily rate

\(^5\)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 Associate Provost for Research.

\(^6\)OMB Circular A-21 J.10.d.1 Salary Rates for Faculty Members Academic Year
course overloads but not earn additional supplemental compensation from any other sources when pre-approved by the Provost’s Office.

2. **Outside the contract period of appointment**, supplemental compensation is generally allowable for all activities. Total supplemental compensation from all sources in the aggregate, outside the contract period, may not exceed the employee’s daily rate times the total number of days outside the contract period.

### B. Contract Faculty –

1. **During the contract period of appointment**, supplemental compensation is generally allowable for all activities. Total supplemental compensation from all sources in the aggregate, during the contract period, may not exceed 12.5% of AY base salary in either the fall or spring semester, unless the valuation of two course overloads exceed the 12.5% maximum. In this case, and in accordance with the FPPH, faculty may teach two course overloads but not earn additional supplemental compensation from any other sources when pre-approved by the Provost’s Office.

2. **Outside the contract period of appointment**, supplemental compensation is generally allowable for all activities. Total supplemental compensation from all sources in the aggregate, outside the contract period, may not exceed the employee’s daily rate times the total number of days outside the contract period.

### C. Professional Personnel –

1. **During the contract period of appointment**, supplemental compensation is generally unallowable for professional personnel for work normally performed on behalf of or related to the mission of the employee’s assigned department or unit, including while serving as PI or Co-PI on a grant or sponsored program.

The university has defined activities for which supplemental compensation may be allowable during the contract period of appointment. They are:

   a. Teaching overloads per the Faculty and Professional Personnel Handbook
   
   b. Administrative assignments
   
   c. Non-load bearing instructional activities. Such activities typically occur across departmental lines, in a separate or remote location, and in addition to the regular departmental load.

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7 Multiple overloads must be in accordance with the Faculty and Professional Personnel Handbook and must be pre-approved by the Provost’s Office.

8 [OMB Circular A-21 J 10 d 1](https://www.whitehouse.gov/omb/circulars/a021/) - Salary Rates for Faculty Members Academic Year
Total supplemental compensation from all sources in the aggregate, during the contract period, may not exceed the employee's daily rate times 2 days per week.

2. **Outside the contract period of appointment.** Supplemental compensation is generally allowable for all activities not normally performed on behalf of or related to the mission of the employee’s assigned department or unit, including while serving as PI or Co-PI on a grant or sponsored program. Total supplemental compensation from all sources in the aggregate, outside the contract period, may not exceed the employee’s daily rate times the total number of days outside the contract period.
IV. Summary Table & Calculations

<table>
<thead>
<tr>
<th>Contract Type</th>
<th>AY</th>
<th>FY</th>
<th>10 month</th>
<th>Indiana Academy</th>
<th>Burris</th>
<th>Other</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contract Length (days)</td>
<td>160</td>
<td>260</td>
<td>218</td>
<td>188</td>
<td>180</td>
<td>Consult with HR</td>
</tr>
<tr>
<td>Daily Rate Calculation</td>
<td>Base Salary 160</td>
<td>Base Salary 260</td>
<td>Base Salary 218</td>
<td>Base Salary 188</td>
<td>Base Salary 180</td>
<td>Base Salary #of days from HR</td>
</tr>
<tr>
<td>Financial Limit Inside Contract Period</td>
<td>12.5% per semester</td>
<td>2 days per week</td>
<td>87 days total</td>
<td>12.5% per semester</td>
<td>12.5% per semester</td>
<td>Consult with HR</td>
</tr>
<tr>
<td>Financial Limit Outside Contract Period</td>
<td>125 days pay total: 22 over Winter 103 over Summer</td>
<td>105 days pay</td>
<td>61 days pay</td>
<td># days pay</td>
<td># days pay</td>
<td># days outside contract</td>
</tr>
</tbody>
</table>
V. Terms & 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 employment contract or subsequent letters of notice of salary increase/decrease. The base salary does not include other payments or stipends.

B. Contract Period
1. Academic Year Appointment - The contract period\(^9\) is for the Academic Year and is defined as the Friday meeting day before fall semester through the Saturday of fall commencement, resuming the first day of spring semester through the Saturday of spring commencement. The contract period includes evenings, weekends, university-recognized holidays, and breaks, thus a seven-day commitment during the Academic Year.

2. Fiscal Year Appointment - The contract period\(^10\) is for the Fiscal Year and is the employee’s normal weekly working hours for all twelve months of the year, including all university-recognized holidays. (Some personnel may have schedules outside of the normal M-F work week.)

3. Other Appointment - The contract period is designated by a number of days different from those customarily specified as Academic Year or Fiscal Year. (Examples include Burris Faculty, Indiana Academy Faculty and 10-month Professional Personnel).

C. Daily Rate
1. Academic Year Employees - The daily rate calculation recognizes the customary five-day assignment within the seven-day commitment. The daily rate is calculated by dividing the employee’s base salary by 160.

2. Fiscal Year Employees - The daily rate is calculated by dividing the employee’s base salary by 260.

3. Other Appointment Employees – the daily rate is calculated by dividing the employee’s base salary by the number of days specified in the appointment contract. (Examples include Burris Faculty (180 days), Indiana Academy Faculty (188/211 days) and 10-month Professional Personnel (218 days))

D. Full Time Equivalent (FTE) Rate
The FTE Rate for part-time employees is calculated by prorating the base salary to full-time effort. In cases where a recent, comparable full-time base salary is available or a minimum

\(^9\) Contingent upon the published university calendar
\(^10\) Contingent upon the published university calendar
rate is set by the FPPH or other University policy, that rate may be used in lieu of the prorating the part-time base salary amount.

E. Instructional Activities
Instructional activities include all teaching and training activities offered for credit, certificate, or non-credit and through either regular academic departments or separate divisions.¹¹

F. Non-Instructional Activities
Non-Instructional Activities are comprised of incidental payments for internal activities that are infrequent, limited in scope, and for a defined period of time, generally less than one year. Such activities typically occur across departmental lines, in a separate or remote location, and in addition to the faculty member’s regular departmental load.¹² These payments are not included in the base salary.

G. Outside the Contract Period
1. Academic Year Appointment - This period pertains to the 22 days of winter/semester break following the Saturday of fall semester commencement; and all days following the Saturday of spring semester commencement through, but not including the Friday of faculty meetings at the beginning of fall semester, normally 103 days, for a total of 125 days outside the academic year appointment contract period as determined by University Payroll and Employee Benefits.

2. Fiscal Year Appointment - This period is typically outside the M-F workweek, but certainly pertains to all hours outside the employee’s normal weekly working hours— evening and/or weekend hours—totaling 105 days.

H. Summer Salary – for Academic Year Employees
Salary paid to faculty members during the 10-week summer session is considered supplemental compensation and will be held to the stipulations outlined in this document.

I. Supplemental Compensation
All compensation beyond the employee’s base salary, whether originating internally or externally, and processed through University Payroll and Employee Benefits.¹³ This includes summer salary. This does not include University appointed directorships and distinguished/endowed professorships or awards, prizes, gift or incentives as defined by the Office of the Controller, such as awards for length of service, retirements, meritorious service, the A. Jane Morton Award and other miscellaneous awards, prizes, gifts and incentives.

¹¹ Per OMB Circular A-21 B.1.a, Definition of Instruction as a Major Function of an Institution
¹² OMB Circular A-21 J.10.d.1 Salary Rates for Faculty Members Academic Year
¹³ Cost Accounting Standard 48 CFR 9905.502