

Chancellor's Memorandum

CM-61 – Additional Compensation Routing and Supplemental Compensation Exclusions and Limitations  
Subject to PM-3

**To:** Vice Chancellors, Deans, Administrative Staff, and Department Heads

**From:** LSU Health Sciences Center New Orleans Chancellor

December 2, 2016

### Purpose

To define and distinguish different types of additional compensation and the routing and approval procedures and to specify the requirements, conditions, and limits of providing supplemental compensation for faculty and full-time non-classified exempt staff.

### Additional Compensation Definitions

**Additional Compensation:** Compensation for services provided for the benefit of the University and/or the State of Louisiana rendered and paid from a Louisiana State University Health Sciences Center-New Orleans (LSUHSC-NO) source above the employee's base salary. Types of additional compensation may include such payments as an additional or concurrent job, one-time pay, faculty income plan (FIP) compensation, or supplemental compensation.

**Additional or concurrent job** is a sub-category of additional compensation. Additional or concurrent job is a position held by an employee in addition to his or her primary job. This category includes those jobs that are on-going, not "acting" or "interim" roles.

**One-time pay** is a sub-category of additional compensation. One-time pay is intended for use on processing those types of payments that are non-recurring.

**Faculty income plan (FIP) compensation** is a sub-category of additional compensation that was formally referred to as faculty supplemental compensation.

**Supplemental compensation** is a subcategory of additional compensation. Supplemental compensation is intended for use when faculty or full-time non-classified exempt staff is asked to perform duties that are substantially outside the scope of the individual's regular position as defined by the position description.

**Total Allowable Supplemental Compensation:** Total amount of supplemental compensation an employee may earn from LSUHSC-NO sources between July 1 and June 30 of any fiscal year as calculated in this policy. See Supplemental Compensation Limitations section in this policy.

**HRIS:** Human Resources Information System: The computer system used to track information about LSUHSC-NO employees.

## General Policy on Supplemental Compensation

Occasionally, academic and professional employees are assigned additional duties and/or responsibilities unrelated to, or independent of, the duties and responsibilities outlined in their position description. It is important to note that the assignment of additional duties that are related in scope to the duties in your position description may not warrant supplemental compensation. Only when such assignments are clearly not a part of the employee's standard assignment may supplemental compensation be permitted.

## Exclusions from Supplemental Compensation

1. Faculty Income, Research, and other compensation plan programs approved by the President.
2. Civil Service employees or non-exempt classified and non-exempt unclassified employees are not eligible for any type of additional compensation under this policy. Civil service employees who perform work outside the scope of the employee's duties and responsibilities documented in his/her position description form may be eligible for Optional Pay under Civil Service rule 6.16.2.
3. Part-time employees are not eligible for any type of additional compensation. If the additional duties are recurring, the part-time employee should be compensated by increasing the percentage of effort.
4. Any income earned outside of LSUHSC-NO employment that must be reported in compliance with PM-11.
5. Royalty Income.
6. Salary Supplements from Foundation funds or any compensation provided to an employee from an affiliated foundation or an affiliated 501(C) 3 organization. Pursuant to PM-69, these supplements must be approved by the Chancellor and approval may not be delegated.
7. Compensation for interim or acting administrative roles.
8. Persons holding executive-level positions except in rare and very limited circumstances by determination of, and approval of, the President. Executive-level positions include those positions reporting directly to the President or Chancellor with university-wide or campus-wide responsibilities.
9. On Call/Emergency Pay.
10. Premium Pay. Premium Pay is for classified employees only.

## Additional Compensation Criteria

The need for allowing all types of additional compensation shall always be evaluated in view of the benefit to Louisiana State University Health Sciences Center – NO and/or the state. The approval structure for all types of additional compensation request requires the authorization of the employee's direct supervisor, department head of the department initiating the request and their respective Deans/Vice Chancellors to ensure that:

1. All requests for the consideration of all types of additional compensation must be approved by the employee's direct supervisor, respective department head, and appropriate Dean or Vice Chancellor. In those circumstances wherein the request is made by another department other than the employee's home department, approval is also required by the employee's proposed supervisor in the department requesting the employee's services, the respective department head, the respective Dean/Vice Chancellor, and the Chancellor or his designee.

2. All supplemental compensation is only requested for those assignments clearly beyond the scope of the specific duties of the employee's regular position as defined by the job description.
3. The increased responsibilities for supplemental compensation must be performed without impact on availability to perform his/her regular responsibilities and expectations are for a specific project or task that can be performed over a stated and limited time period. An employee's direct supervisor may revoke the approval of supplemental compensation and discontinue the related duties if there is a negative impact on the performance of the employee's regular duties.
4. All requests for consideration of supplemental compensation must be approved in advance of the additional duties commencing. Retroactive requests for supplemental compensation will not be approved. Any request submitted for supplemental compensation after commencement of increased responsibilities will be denied and the employee will not be compensated.
5. The services provided in exchange for supplemental compensation are temporary and short term in nature and shall generally not exceed six months.
6. In those rare instances in which supplemental compensation is approved to exceed six months, a review process shall be conducted by Human Resources Management (HRM) after six months to determine the continued need and compliance with the policy. All considerations beyond six months must be approved by the Chancellor.
7. Appropriate justification with documentation for the supplemental compensation and additional or concurrent job is attached to the personnel action form. The documentation should include, but not be limited to, the following:
  - a. A description of the work.
  - b. An explanation of why it is considered to be clearly outside the scope of the person's normal duties.
  - c. An amount of proposed compensation and an explanation of how this amount was determined.
  - d. An estimate of the amount of time to be spent on the activity and dates of service.
  - e. An explanation of how the person can reasonably carry out his or her full-time job responsibilities given these additional responsibilities.
8. The proposed amount for additional or concurrent job or supplemental compensation is reasonable for the assigned duties.
9. The employee's primary job and concurrent job are clearly identified.

Once the Department Heads and the appropriate Dean/Vice Chancellor(s) approve the request, requests for supplemental compensation must then be reviewed and approved by the Office of Human Resource Management (HRM) for compliance with all applicable University policies. If approved by HRM, the request shall be sent to the Chancellor's office or his/her designee for final approval. In the event that the request for supplemental compensation is not approved by HRM, HRM shall notify the respective Dean or Vice-Chancellor in writing of the denial and the reasons for the denial and copy the Chancellor and his/her designee(s).

HRM does not approve faculty group practice and witness/jury supplemental compensation.

No Chancellor's designee shall approve requests for supplemental compensation from departments or other areas under their direct authority as Chancellor.

No Chancellor's designee shall approve any request for supplemental compensation that has not been reviewed by HRM to ensure compliance with applicable policy(s). The Chancellor's designee may not approve a request that has been denied by HRM.

### Supplemental Compensation Limitations

#### **Fiscal Year (12 month) Employees**

Total supplemental compensation from all LSU sources between July 1 and June 30, inclusive, shall not be allowed to exceed regular fiscal year compensation x .30.

#### **Academic Year (9 month) Employees**

Total supplemental compensation from all LSU sources during the period from any July 1 to the following June 30 shall not be allowed to exceed: (academic year salary + 2/9 academic year salary) x .30.

Supplemental compensation shall be based on the appropriate rate of pay for the activity performed and paid against the total supplemental compensation allowable for the period in which the service is performed.

If the employee's salary changes during the fiscal year, the supplemental compensation allowable limit is adjusted accordingly. In addition, no type of additional compensation can cross the fiscal year.

Personnel action forms shall be error free with required reviews, support, and approvals prior to being processed. Personnel action forms shall not be processed until all identified errors are corrected.

HRM shall submit to the Chancellor reports on supplemental compensation earned no less frequently than semi-annually.

### Supervisor Responsibility

Management should ensure compliance with the additional compensation policy, as well as all university policies and procedures regarding the administration of additional compensation. A lack of compliance with the aforementioned policy could lead to disciplinary action up to and including termination of employment.

### Records

Justification and supporting documentation is required for all additional compensation requests. All additional compensation personnel action forms and supporting documentation shall be maintained in Human Resources Management as part of the employee's personnel record in accordance with the University's retention schedule. Such records may also be housed electronically in the HRIS system.