



TEXAS TECH UNIVERSITY HEALTH SCIENCES CENTER EL PASO

Operating Policy and Procedure

HSCEP OP: 70.16, **Compensation in Excess of Base Salary**

PURPOSE: The purpose of this Health Sciences Center El Paso Operating Policy and Procedure (HSCEP OP) is to establish policy and procedures for the total allowable compensation paid to employees from TTUHSCEP-controlled funds to insure compliance with federal and state regulations.

REVIEW: This HSCEP OP will be reviewed on October 1 of each odd-numbered year (ONY) by the Executive Director for Human Resources and Budget Office, with recommendations for revisions submitted to the Chief Financial Officer by October 15.

It is the responsibility of each person affected by this HSCEP OP to devise job procedures and/or other appropriate methods for carrying out all its instructions.

POLICY/PROCEDURE:

1. General.

- a. TTUHSCEP employees are accountable for 100 percent of the duties and facilities associated with the employee's basic appointment. The primary responsibility of TTUHSCEP employees is the full and complete execution of all assigned duties.
- b. State regulations prohibit the appointment of TTUHSCEP employees for more than 100 percent time for services considered to be regularly assigned duties associated with an individual's full-time responsibility. Dual employment with TTUHSCEP and with another state or federal agency as defined in HSCEP OP 70.18, Dual Reporting and Multiple Employment, must be approved in writing by the divisional vice president before entering into any additional activity for which additional compensation is to be requested or paid in accordance with provisions of this HSCEP OP.

2. Additional Compensation.

- a. Employees exempt from the overtime provisions of the Fair Labor Standards Act (FLSA) may be requested to provide consulting, outreach education, and other activities within TTUHSCEP that are considered to be in addition to their regularly assigned duties for which additional compensation may be paid subject to limitations set forth in this policy. Non-exempt employees are subject to overtime guidelines in accordance with the provisions of HSCEP OP 70.17 for hours worked over 40 in a workweek.

The activities listed below are considered additional responsibilities for which an employee may receive additional compensation:

- (1) Special projects assigned as overload by TTUHSCEP administrators. An overload assignment represents a substantial increase over the individual's regularly assigned duties. The proposed assignment should not adversely affect the individual's performance of her/his regularly assigned duties.
- (2) Consulting or other special services conducted for a TTUHSCEP department or area other than the employee's department and conducted outside of the employee's regular work schedule;

- (3) Contract services as described in Section 9c. of this HSCEP OP; and
- (4) Outreach educational activities as assigned by chairpersons and conducted outside normally scheduled duties.

Compensation above an employee's base may also be received for the following activities:

- (1) Teaching non-credit courses administered through Continuing Education for TTUHSCEP.
- (2) Special augmentation paid from practice income plan funds in accordance with each school's income plan bylaws.
- (3) Overtime paid to non-exempt employees in accordance with the provisions of HSCEP OP 70.17, Overtime Pay.

- b. Additional compensation can be given up to 9.9% of the employee's current monthly salary or the difference between the employee's current monthly salary and the minimum monthly salary of that position, whichever is greater, for duties other than those related to the employee's existing position when the employee is:
- Filling a higher level vacant position
 - Managing another work unit or department on an interim basis.

If a non-exempt employee assumes the responsibilities and functions of an exempt employee, then, for purposes of time and effort reporting, the employee will continue to be considered non-exempt and paid overtime for hours worked in excess of 40 hours in a workweek. The overtime rate will be based on the employee's regular salary plus the supplement. Contact the Human Resources Department's Compensation Section for payment procedures.

- c. Requests that are approved and the amount of payment will remain the same for more than three consecutive months, is initiated by submitting an [Electronic Personnel Action Form \(ePAF\)](#) with an Overload earnings suffix. The ePAF should include following:
- (1) Start and end date of the additional compensation.
 - (2) The duties are the employee to perform.
 - (3) Approximate number of effort hours.
 - (4) Explanation of how the work relates to the overall objectives of the employing department.
 - (5) Explanation of why the proposed work cannot be performed under the job description of the employee or by another employee.
 - (6) Inclusion of any other pertinent facts that would help justify the payment.
- d. Requests for payment to Resident Physicians who perform special duties are made through the EOPS at https://banapps.texastech.edu/itis/PY_employee_OTP/welcome.aspx. The payment should be completed in the EOPS each month prior to payroll deadlines.
- e. Requests for payment to HSCEP Student Interns who are part of the HSCEP Summer Intern Program are completed through the EOPS at https://banapps.texastech.edu/itis/PY_employee_OTP/welcome.aspx. The payment should be completed in the EOPS each month prior to payroll deadlines.

3. **Administrative Salary Supplements.**

Administrative supplements are regular administrative positions that meet the following criteria:

- Regular position that will be refilled if the position becomes vacant.

- Duties related to the position are separate and apart from the employee's primary appointment.

The following are examples of administrative supplements:

- Associate/Assistant Dean
 - Department Chair
 - Chief Resident
- a. The employee appointment to the administrative supplement must be discontinued when the employee is no longer performing the duties assigned to the position. The base salary of the employee will not be adjusted to compensate for the removal of the administrative supplement.
 - b. Administrative supplements require the approval of the Dean and/or Vice President as appropriate.
 - c. A separate, secondary position with zero FTE must exist for Administrative Salary Supplements. If a supplement position does not exist, a position may be created by following the procedures outlined in HSCEP OP 70.24, Creating a New Position in a Budget, Creating a New Position Title in the Pay Plan, and Reclassifying an Existing Position Title. Once the position is established, an Electronic Personnel Action Form (ePAF) should be submitted to appoint the employee into the secondary position.
 - d. Without exception, all payments to TTUHSCEP employees for additional compensation will be made through the Payroll system and will be subject to withholding and other payroll deductions.

4. **Payment Procedures**

The procedures for payments of compensation in excess of base salary are outlined below:

- a. **Consistent Amounts for More Than Three Consecutive Months**
Payments, other than administrative Supplements, that will remain the same for more than three consecutive months, should be processed with an ePAF overload appointment. The ePAF should contain a start and end date for the compensation payments. A new ePAF must be processed at the beginning of each fiscal year to reestablish any recurring payments, with the exception of cell phone allowances.
- b. **Varying Payment Amounts**
Payments that will vary in the amount from month to month should be processed through the [Employee One-Time Payment System](#) (EOPS). The payment should be completed in the EOPS each month prior to payroll deadlines. The following documents are available to assist originators and approvers.
 - [Employee One Time Payment System – For Originators](#)
 - [Approval Tracking System – For Approvers](#)
- c. **Approvals**
All compensation payments in excess of base salary require the approval of the Dean and/or Vice President as appropriate.
- d. **Processing through Employee One-time Payment System (EOPS)**
All payments processed through the EOPS System are categorized into two groups: (1) payment for services rendered and (2) awards, allowances, gifts, reimbursements or incentive payments. The types of payments in each category are defined below.

5. **Payments for Services Rendered**

a. **Additional Compensation**

The ADC (Additional Compensation) earn code should be used for all additional compensation payments unless the funding source is from a federal or state grant, then the TSP (Temporary Sponsored Program) earn code should be used.

b. **Faculty On Call Pay**

Faculty on call pay should be paid to clinical faculty for providing additional hospital coverage outside of their normal assigned duties. The FOC (Faculty On Call Pay) earn code should be used for these payments.

c. **Underpayments of Regular Earnings**

Underpayments of an employee's regular earnings should be paid using the LSP (Lump Sum Payment) earn code. Examples may include:

- Salary changes not included in the employee's pay
- Salary differential for overtime worked in a separate department at a higher rate of pay.

d. **Compensation for Temporary Appointments**

These payments apply to employees who work on a temporary basis with regular compensation that varies from month to month based on the timing of the work performed. Regular compensation for these employees should be paid through the EOPS system using the LSP (Lump Sum Payment) earn code. The TSP (Temporary Sponsored Program) earn code should be used for payments made on State and Federal Grants. Examples that may be paid using this method include:

- Recurrent Faculty and Staff
- Relief Physicians and Pharmacists
- Standardized Patients
- Job Coach/Preceptor

6. **Awards, Allowances, Gifts, Reimbursements or Incentive Payments**

These payments are not allowable on Educational and General funds and are generally not allowable on State and Federal Grants.

a. **Awards, Prizes and Gifts**

The policy for the payment of awards, prizes and gifts is established in HSCEP OP 72.03, Direct Pay Expenditures. The following earn codes should be used for these transactions in the EOPS system:

- AWD – Cash Awards, Prizes and Gifts
- MSC – Non-Cash Awards, Prizes and Gifts

b. **Cell Phone Allowances**

HSCEP OP 55.05, Employee Allowance for Electronic Communication Resources, establishes the procedure for payment of Telecommunication Service and Equipment Allowances. The Telecommunications Equipment Allowance is paid through the EOPS system using the CPE (Cell Phone Equipment) earn code. Telecommunication Service Allowance should be added to as an employee's recurring wages through an Overload ePAF using the CPA (Cell Phone Allowance) earn code. The EOPS system should only be used to pay a missed Cell Phone Allowance payment.

c. **Cell Phone Allowance for Hourly Paid Employees**

TTUHSCEP employees classified as nonexempt (hourly paid) are paid for all hours worked. This includes responding to work-related cell phone calls after normal duty hours. By assigning a cell phone or cell phone allowance to an employee classified as nonexempt, the supervisor acknowledges that time spent responding to an after-hours call

is work time that must be reported on the employee's timesheet in web time entry and subject to overtime pay at the end of the work week.

- d. **Clothing Allowance**
Clothing Allowance (CLO) earn code is restricted to the Police Department. Any other payments for clothing and/or uniforms should be processed through a purchase order.
 - e. **Employee Moving Expenses**
HSCEP OP 72.18, Payments for Employee Moving Expenses, establishes the procedures for paying employee moving expenses. The following earn codes should be used for employee moving expenses based on the OP.
 - MOV - Taxable Moving Expense
 - NMV – Non-taxable Moving Expense
 - f. **Recruitment Expenses - Other**
With the exception of moving expenses, all other recruitment or sign-on payments included in an employee's initial employment agreement should be paid as Other Taxable Benefits (OTB). This includes payments such as sign-on bonuses and COBRA payments.
 - g. **Reimbursements > 60 Days**
HSCEP OP 72.03, Direct Pay Expenditures, outlines the procedure for reimbursing employees for allowable expenditures. Any reimbursements after 60 days of when the expense was paid or incurred, whichever occurs first, must be submitted through the EOPS system. The OTB – Other Taxable Benefit Code should be used for these payments.
 - h. **Special Augmentation**
Special Augmentation payments may be paid from practice plan income funds or other sources as authorized by the Dean in accordance with each school's income plan bylaws. To ensure accurate taxation compliance, Special Augmentation may not be used to pay any of the other payments listed in this OP.
 - i. **Spousal Travel Expenses**
HSCEP OP 79.10, Reimbursement for Travel Expense for Spouses, establishes the policy for reimbursing spousal travel. The reimbursement of any approved spousal travel must be submitted through the EOPS system. The OTB – Other Taxable Benefit Code should be used for these payments.
 - j. **Tuition and Fees**
An EOPS transaction using the NTP (Non Taxable Tuition Pay) earn code should be processed to reimburse employees for the payment of tuition and fees as outlined in the Tuition Assistance section of HSCEP OP 70.47, Employee Training and Development.
7. **Merit and Incentive Payments**
Merit payments are only allowed when an institutional merit policy has been approved. Other incentive payments are not allowed with the exception of Special Augmentation payments based on each school's practice plan bylaws.
 8. **Allowable Earn Codes**
The following chart summarizes the allowable earn codes, associated purposes and Operating Policies.

Earn Code	Purpose	HSC OP
Payment for Services Rendered		
ADC - Additional Compensation	Additional duties - Exempt faculty or staff	70.16
FOC – Faculty On Call Pay	Additional Duties - On call pay for faculty	
LSP – Lump Sum Payment	Compensation for temporary appointments	
LSP – Lump Sum Payment	Underpayment of regular earnings	
TSP – Temporary Sponsored Project	Additional Compensation and Lump Sum Payments from Federal and State Grants	
Awards, Allowances, Gifts, Reimbursements, Incentive Payments		
AWD – Award	Cash awards, prizes and gifts	72.03
CLO – Clothing Allowance	Clothing allowance for police	
CPA – Cell Phone Allowance	Cell Phone Services	55.05
CPE – Cell Phone Equipment	Cell Phone Equipment	55.05
MOV – Taxable Moving Expense	Taxable moving expenses	72.18
MSC – Misc. Fringe Benefit	Non-cash awards, prizes and gifts	72.03
NMV – Non-taxable Moving Expense	Non-taxable moving expenses	72.18
NTP – Non-taxable Tuition Payment	Tuition Assistance Program	70.47
OTB – Other Taxable Benefit	Recruitment Expenses – Other	
OTB – Other Taxable Benefits	Reimbursements > 60 Days	72.03
OTB – Other Taxable Benefits	Spousal Travel Expenses	79.10
SPA – Special Augmentation	Special Augmentation	70.16

9. **TTUHSCEP-Administered Grants and Contracts.**

- a. Except for extraordinary circumstances, funds from TTUHSCEP-administered grants and contracts will not be used as salary supplements to increase an appointment above 100 percent time. Salary amounts received from a sponsored grant or contract will proportionately reduce the salary and FTE of a funded appointment.
- b. The eCertify Reporting System (eCert) accounts for the percent of time spent by an individual staff member on a grant or contract.
- c. Circular A-21, issued by the federal Office of Management and Budget, allows consultant fees to be paid from sponsored grant and contract funds to employees of the grantee institution only in unusual cases and provided one of the following conditions is determined to exist:
 - (1) Consultation is across departmental lines and the work performed by the consultant is in addition to the individual's regular departmental load; or

- (2) Consultation involves a separate or remote operation and the work performed by the consultant is in addition to the individual's regular departmental load.

Additional compensation paid for consulting services under these circumstances must be specifically provided for in the agreement or approved in writing by the sponsoring agency, in accordance with A-21 provisions.

10. **Right to Change Policy.**

TTUHSCEP reserves the rights to interpret, change, modify, amend or rescind this policy in whole, or in part, at any time without the consent of employees.