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

REVIEW: This HSC OP will be reviewed in October of each odd-numbered year (ONY) by the Assistant Vice President for Budget, with recommendations for revision forwarded to the Vice President / Chief Financial Officer (VP/CFO) and the Vice President / Chief Human Resource Officer (VP/CHRO).

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

POLICY/PROCEDURE:

1. General.
   a. TTUHSC employees are accountable for 100 percent of the duties and facilities associated with the employee's basic appointment. The primary responsibility of TTUHSC employees is the full and complete execution of all assigned duties.
   
   b. State regulations prohibit the appointment of TTUHSC 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 TTUHSC and with another state or federal agency as defined in HSC 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 HSC 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 TTUHSC 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 HSC 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 TTUHSC 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 TTUHSC 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 HSC 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 TTUHSC.

(2) Special augmentation paid from practice income plan funds in accordance with each school’s income plan bylaws.

Overtime paid to non-exempt employees in accordance with the provisions of HSC 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 Human Resources Compensation 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 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 HSC Student Interns who are part of the HSC 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, Vice President, and/or
Executive 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 HSC 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 TTUHSC 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 date for the compensation. Responses to the conditions
requiring additional compensation shall be included in the Comments section of the
ePAF. A new ePAF must be processed at the beginning of each fiscal year to reestablish
any recurring payments.

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,
Vice President, and/or Executive 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
- Catch-up Payments

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 HSC 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. 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.

c. Employee Moving Expenses
HSC 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

d. 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, and job-related out of pocket expenses.

e. Reimbursements > 60 Days
HSC 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.

f. **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.


g. **Spousal Travel Expenses**

   HSC 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.

h. **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 HSC 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.

<table>
<thead>
<tr>
<th>Earn Code</th>
<th>Purpose</th>
<th>HSC OP</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADC - Additional Compensation</td>
<td>Additional duties - Exempt faculty or staff</td>
<td>70.16</td>
</tr>
<tr>
<td>FOC – Faculty On Call Pay</td>
<td>Additional Duties - On call pay for faculty</td>
<td>70.16</td>
</tr>
<tr>
<td>LSP – Lump Sum Payment</td>
<td>Compensation for temporary appointments</td>
<td>72.03</td>
</tr>
<tr>
<td>LSP – Lump Sum Payment</td>
<td>Underpayment of regular earnings</td>
<td>72.03</td>
</tr>
<tr>
<td>TSP – Temporary Sponsored Project</td>
<td>Additional Compensation and Lump Sum Payments from Federal and State Grants</td>
<td>72.03</td>
</tr>
<tr>
<td>AWD – Award</td>
<td>Cash awards, prizes and gifts</td>
<td>72.03</td>
</tr>
<tr>
<td>CLO – Clothing Allowance</td>
<td>Clothing allowance for police</td>
<td>72.03</td>
</tr>
<tr>
<td>MOV – Taxable Moving Expense</td>
<td>Taxable moving expenses</td>
<td>72.18</td>
</tr>
<tr>
<td>MSC – Misc. Fringe Benefit</td>
<td>Non-cash awards, prizes and gifts</td>
<td>72.03</td>
</tr>
<tr>
<td>NMV – Non-taxable Moving Expense</td>
<td>Non-taxable moving expenses</td>
<td>72.18</td>
</tr>
<tr>
<td>NTP – Non-taxable Tuition Payment</td>
<td>Tuition Assistance Program</td>
<td>70.47</td>
</tr>
<tr>
<td>OTB – Other Taxable Benefit</td>
<td>Recruitment Expenses – Other</td>
<td>72.03</td>
</tr>
<tr>
<td>OTB – Other Taxable Benefits</td>
<td>Reimbursements &gt; 60 Days</td>
<td>72.03</td>
</tr>
<tr>
<td>OTB – Other Taxable Benefits</td>
<td>Spousal Travel Expenses</td>
<td>79.10</td>
</tr>
</tbody>
</table>
9. **TTUHSC-Administered Grants and Contracts.**

   a. Except for extraordinary circumstances, funds from TTUHSC-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.**

    TTUHSC 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.