

Additional Pay Procedure

University of Michigan

Dearborn Campus

Effective January 1, 2019

The University's SPG 500.01 on **Fiscal Responsibilities** requires all Dearborn campus Units have procedures supporting financial controls, budget review, and management oversight of the University's financial and human resources, including payments made to employees for work outside of their regular appointment.

This follows from the University of Michigan **Statement on Stewardship** which outlines how all Units shall carefully, prudently, and ethically manage the resources entrusted to their Unit.

The steps in this procedure are designed to satisfy the University policy as set forth in SPG 201.85, **Non-Appointment Related University Compensation**. This procedure ensures that the Dearborn Campus complies with the internal control procedures, as specified for additional pay, and prescribed by the Office of Internal Controls on the Ann Arbor campus.

Excluded from this procedure are payments to faculty and staff employees for:

- Undergraduate or Graduate Tuition Reimbursements
- On Call Pay
- Technology Equipment Allowance or Telecommunications Device Stipends
- Honorariums paid to faculty or to staff
- Gift, Prizes and Awards
- Retirement payments
- Payments based on contractual employment or collective bargaining (union) agreements

as the policies and procedures for these payments are specified by the Standard Practice Guide (SPG). Units should consult with their Human Resources Consultant if they have questions on any of the payments listed above.

APPROVALS AND DELEGATING APPROVALS

The approvals specified in the procedure below may also be documented as an attachment included with the supporting documentation, i.e. copy of e-mail communication, or by inserting the approver on the additional pay transaction as an approver or as an individual who should be notified of the transaction.

Dearborn campus Units are strongly advised to complete, and maintain on file, an Authorization by Signature Form prior to delegating approval authority. This form should be completed when an approver wishes to delegate their approval authority to another University employee. The Authorization by Signature Form is available here:

http://procurement.umich.edu/sites/default/files/authorization_by_signature.pdf

Note that delegating approval authority to another UM employee does not release the approver of the responsibility for approval action(s) taken by their designee.

Additional Pay Procedure

For all Units on the Dearborn Campus

1) CONTACT YOUR HUMAN RESOURCES CONSULTANT

Unit leads shall contact their Unit's Human Resource Consultant first to discuss work arrangements for additional pay PRIOR to communicating or making any additional pay commitment to any UM employee.

Unit leads and the Human Resource Consultant on the Dearborn campus shall review bargained-for staff contracts for additional guidance as well as SPG 201.85, Non-Appointment Related University Compensation, for additional guidance.

NOTE

If the additional pay request does not align with the level of work or services performed, it will not be recommended by the Human Resource Consultant for further processing. A new work arrangement or solution should then be re-proposed by the Unit for discussion with the Unit's Human Resource Consultant.

2) CONSULT WITH YOUR UNIT'S DEAN OR SENIOR OFFICER

Consult with the Unit's Dean or Senior Officer, or their designee, to obtain their support for the additional pay payment for any payment made to an instructional faculty member.

3) VERIFY THE EMPLOYEE'S CURRENT COI-COC STATEMENT IS ON FILE

The employee's COI-COC statement shall be on file in the employee's regular employment Unit and reviewed by the Unit lead and HR Consultant prior to processing an additional pay payment to the employee.

4) PREPARE A WORK AGREEMENT AND/OR SUPPORTING DOCUMENTATION

Route to the Unit Human Resources Consultant a work agreement with the following information:

- i) The name and title of the UM employee who will supervise and verify the completion of the work;
- ii) Description of the work performed to include the final product or service rendered;
- iii) Starting and ending date, and time the work will be performed, including any interim or milestone dates when work is to be completed;
- iv) The location where the work will be performed;
- v) (for staff only) An e-mail acknowledgment from the employee's immediate/current supervisor/manager agreeing the employee may perform the work for the Unit;
- vi) (for instructional faculty only) An e-mail acknowledgment from the employee's Department Chair, Dean or Senior Officer, or their designee, supporting the work to be performed.

5) OBTAIN APPROVAL FROM YOUR HR CONSULTANT BEFORE PROCEEDING:

Prior to notifying the affected employee, and processing an additional pay transaction in M-Pathways, the Unit lead should obtain written or verbal approval of their Human Resource Consultant to proceed with notifying the employee and processing the transaction. If applicable, the HR Consultant shall also consult with the employee's immediate/current supervisor/manager prior to issuing their written or verbal approval to proceed.

No additional pay transaction may exceed 7 months from the date of the first payment on the transaction. All transactions must have an end date on the additional pay transaction PAR. Transactions without an end date will be returned to the originator for revision.

- i) Units requesting an exception will discuss their exception first with their Human Resources Consultant and, if an exception is warranted, the employing Unit lead will then seek the written approval by the Human Resources Director. This approval should be included with the supporting documentation on the transaction.
- ii) Units requesting additional pay transactions extending beyond 7 months will be asked by their Unit's HR Consultant to examine the employee's current position description and consider updating the description to reflect the additional responsibilities.
- iii) Payment dates on the M-Pathways transaction shall parallel the timeframe and employee's pay cycle during which the work will be completed.
- iv) Lump sum payment in advance of work or services performed are not permitted under any circumstances.

6) REQUIRED (1) APPROVERS AND (2) NOTIFICATIONS:

The Unit requesting the additional pay will create a PAR using one of the pay codes from the list below and will add Approvers and Notifications as follows:

(1) APPROVERS

ROUTING ORDER	APPROVER	Optional or Required	DESCRIPTION
1	Additional Pay Requestor	REQUIRED	Or their designee; complete the Authorization of Signature form when delegating approval authority OR Include the requestor's approval as supporting documentation and also add them as an individual to be notified of the transaction
2	HR Coordinator	REQUIRED	Contact the Unit's primary or secondary HR Consultant for more information
3	HR Consultant	REQUIRED	Or the Unit's secondary HR contact
4	Grant Shortcode Approval	Contact Dearborn ORSP for Grant Approver	Route to ORSP staff when using Sponsored Funds or Campus Grants
5	Unit Financial Lead	REQUIRED ON ALL TRANSACTIONS	This should be the employee with budget responsibility to ensure budget and shortcodes are correct the transaction

(2) NOTIFICATIONS

Notify The:	Optional or Required	DESCRIPTION
The Employee's Manager	OPTIONAL	<p>Or their designee; complete the Authorization of Signature form when delegating approval authority</p> <p style="text-align: center;">OR</p> <p>Include the employee's managerial approval as supporting documentation and also add them as an individual to be notified of the transaction</p>
Senior Officer	Optional	Recommended when additional pay is charged to a Unit different from the employee's home Unit and/or the Senior Officer is unable to approve the transaction.
Department Chair	Optional	Recommended when additional pay is charged to a Unit different from the employee's home Unit and/or the Department Chair is unable to approve the transaction.
Program Manager	Optional	Recommended when additional pay is charged to a Unit different from the employee's home Unit and/or the program manager is unable to approve the transaction.
Supervisor	Optional	Recommended when additional pay is charged to a Unit different from the employee's home Unit and/or the Supervisor is unable to approve the transaction.

7) PROCESS FOR CORRECTING TRANSACTIONS, IF NECESSARY:

Corrections to a previously processed additional pay transaction and/or retroactive pay transactions shall also follow the same review, routing and approval procedure specified above.

8) EXCEPTIONS TO THIS PROCEDURE:

Any exception to the steps or requirements within this procedure will be evaluated, documented, and/or approved by the current or interim Dearborn campus Human Resources Director.

Additional Pay Earning Codes

Contact your HR Consultant if you have any questions on the use of the Additional Pay Earn Codes listed below.

Additional Pay Earnings Code	Description	Definition
ADD	Added Duties Differential	Payment for duties performed by an individual who temporarily has additional responsibilities that are not typically part of their regular classification.
DFC	Dearborn Faculty Senate Chair	Payment to the Chair of the Dearborn Faculty Senate.
FAH	Faculty Honor	Payment that represents a faculty honor.
HAS	Housing Assistance	Records housing assistance that is being paid to the employee as taxable income.
LEC	LEO Collegiate Lecturer Award	Lump-sum payment made to Collegiate Lecturers appointed by the Provost.
LEO	LEO Contractual Payment	Used to pay a LEO union member when a commitment has been made for teaching, and that commitment becomes unavailable.
LEP	LEO Late Layoff Payment	Lump-sum payment made to LEO Lecturers I-IV, when a layoff notice is received after contractual deadlines.
LER	LEO Adjunct Review Payment	Lump-sum payment made to LEO Adjunct Lecturers who successfully complete an adjunct review.
LGV	Longevity	Per applicable union contracts, paid annually to employees who have worked a specified number of years.

Additional Pay Earnings Code	Description	Definition
NCC	Non-Credit Course-employee	Current faculty or staff teaching a non-credit course as an instructor or guest lecturer, in addition to effort for their base appointment.
RAP	Relocation Assistance Payment	Payment to new hires to assist with moving and relocation expenses. This entire payment is taxable at the supplemental rate, and is not eligible for retirement contributions. This payment can be processed via the "Exception Payment to Faculty and Staff" PeoplePay form (please note the RAP earnings code in the "Description of Payment" section), or via Additional Pay Workflow.
REN	Retention Payment	Used to pay retention payments that are part of an employment contract.
SAL	Salary Supplement	Part of the budget process where a flat amount is paid to an employee rather than a percentage/merit increase on their base pay. Can be used at other times for discretionary, lump-sum payments that relate to the employee's appointment.
TEA	Taxable Expense Reimbursement	Used to record a cash amount that is paid to an employee as a taxable expense allowance.
TRN	Tuition Ref UnderGrad NonTaxed	Used to reimburse an amount of undergraduate tuition that can be considered as non-taxable under the Tuition Reimbursement Plan -- see SPG 201.69.

Additional Pay Earnings Code	Description	Definition
TRS	Tuition Ref Graduate Taxed	Used to reimburse an amount of graduate tuition that is considered as taxable under the Tuition Reimbursement Plan. Amounts that exceed \$5,250 per calendar year are taxable. See SPG 201.69.
TRT	Tuition Ref Graduate Non Taxed	Used to reimburse an amount of graduate tuition that can be considered as non-taxable under the Tuition Reimbursement Plan -- see SPG 201.69.
UNA	Uniform Allowance	Payment of a uniform allowance for certain groups of employees
UNS	Services unrelated to appt.	Payment to current faculty and staff who perform services that are not related to their base appointment.