

University of Wisconsin-Superior

Employee Overload Policy/Time and Effort Compliance

Policy Subject: **Institutional Overload/Time and Effort Policy**

Cabinet Division: **Administration & Finance**

Effective Date: **February 15, 2016**

I. BACKGROUND AND PURPOSE

The salary received by full-time Faculty, Instructional Academic Staff, Non-instructional Academic Staff, University Staff, and Limited Appointees is considered to be full compensation for university activity during the period of appointment. Employees with appointments that are generally exempt from the provisions of the Fair Labor Standards Act (FLSA) are expected to expend the total effort necessary to complete their assignments without additional compensation. Thus, such employees may not receive compensation for an overload activity from any funds administered within the University System, regardless of source, except through the procedures and within the standards provided in this policy.

There are instances in which asking an employee to take on a significant workload and do substantially more than his/her appointment requires is the only viable alternative and additional compensation is appropriate. The purpose of this policy is to define the circumstances in which such payments may be provided.

In addition, in order to ensure compliance with UW System policy and federal regulations, all overloads for employees must be approved **in advance** before work is started on a project or before a class begins.

If the university does not comply with these regulations, it runs the risk of jeopardizing current and future funding opportunities from federal agencies.

II. DOCUMENTATION AND CERTIFICATION

Federal Agencies require entities who receive federal funding to certify that the appropriate level of time and effort is being spent on federal projects. Federal agencies want to insure that grantees are putting forth their best efforts when working on their projects, and also that their funds are not being used to subsidize costs that the university should bear (like instruction). A staff member who works on federal funding and who performs multiple other duties at the same time may not be able to dedicate the proper amount of effort and care to a grant, which is of great concern to the funder. A funder's perception of staff members being stretched too thin could impact the awarding of grants and projects to UW-Superior in the future.

The specific federal regulations that govern time and effort are contained in CFR 200-Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (specifically, Section 200.430 Compensation-Personal Services, where time and effort are highlighted in (h.8.i-viii)).

<http://www.ecfr.gov/cgi-bin/text-idx?SID=e5345a3fdf7b9bcf21275e2de80cce6c&mc=true&node=pt2.1.200&rgn=div5>

Federal agencies do allow staff to take on additional compensation for other duties, but this must be approved by the Program Officer in advance. The Program Officer is the employee at the Federal or State Agency who awards a grant to an institution and then monitors the institution's performance on the grant and the compliance with federal regulations.

III. POLICY STATEMENTS

3.1. Each proposed overload on campus must be evaluated in the order of the signature lines on the form in order to determine whether or not an employee will be paid on federal funds or a state

grant during the time period that the overload covers. **This means that the Grants Accountant should be the first person on campus to review the overload request to check for compliance related issues before the form proceeds further for signatures on campus.**

- 3.2. Federal regulations surrounding federal grants require time and effort certification and reporting. This certification and reporting necessitates that the campus document and certify a person's total time during a specific period as being dedicated to working on federal or state grants and not performing other activities that interfere with that time in which they are compensated by the institution.
- 3.3. Time and effort certification is not based on a 40 hour work week, it is based on the total of the activities in which an employee is compensated by the institution.
- 3.4. Grants received from state or private funding (Fund 133) are not required to document and certify time and effort unless an employee is also working on a project funded via a federal grant.
- 3.5. Large potential changes in time and effort (approximately 20% or more) must be brought to the attention of the Grants Accountant to ensure the campus does not fall out of compliance with grant or federal regulations.

IV. MATCHING FUNDS

- 4.1. If an employee is funded 100% on state funds as "matching funds" against a federal grant, the employee will not be able to receive an overload (even though that individual is funded by state funds), because their time and effort is certified as a match against the federal grant. In this circumstance, the individual's position is counted as institutional support of the project and is part of the total effort on the federal project in the eyes of the funding agency.

V. PROCESS AND TIMING

- 5.1. Overload appointments must be approved *in advance* of the work being performed, and payments should be made immediately following work performed or for projects that extend across several months on a regular basis during that interval. **Work cannot start until a final signed copy giving approval of the overload has been received by the employee.** The Grants Accountant will review overloads and either forward the form on for approval or respond with any potential concerns or issues within three business days of receipt of the form.
- 5.2. Overloads need to be properly distinguished from stipends. Stipends are given as compensation when an employee is currently less than 1.00 FTE, whereas overloads are given as compensation when an employee is already at 1.00 FTE. If any question arises as to whether a stipend or overload is appropriate in a given situation, Human Resources will make the determination on the proper course of action.
- 5.3. The Provost has final approval of overload appointments.
- 5.4. Copies of the overload appointment and corresponding paperwork should be submitted to the Human Resources Office in advance of the appropriate payroll cycle.
- 5.5. Deans, directors and department chairs are expected to monitor overload expenditures and appointments to ensure compliance with the policies and procedures (outlined in UPG 4 and FAP 29).
- 5.6. Faculty and staff may reject overload assignments. Deans, directors and department chairs cannot require anyone to work an overload assignment.

5.7. Violation of this policy may result in denial of an overload payment.

VI. PAYMENTS, CALCULATIONS, AND LIMITS

- 6.1. Payment to employees for overload work performed will not be made if the requirements of the overload policy are not followed.
- 6.2. Payments for faculty and instructional staff overloads for additional instruction should be based upon current institutional practices (generally, the Senior Lecturer rate of pay or the agreed upon rate for Distance Learning courses); payments for administrative staff performing dissimilar duties from their own should receive a payment commensurate with the duties and responsibilities of the overload appointment.
- 6.3. Beginning July 1, 2014, overloads will be monitored on a fiscal-year basis and cover all payments made during that period, regardless of when the overload assignment was worked.
- 6.4. According to UW-System Policy, total overload payments may not exceed 20% of the base salary or \$18,000, whichever is higher. This number does not include summer appointments (see below) and must account for work done during the academic year for employees paid on an academic-year basis.
- 6.5. Work done for Continuing Education/Extension is paid for on Fund 104 and does not negatively impact the campus' operating budget on Fund 102 and Fund 131. Payments for faculty and instructional staff overloads for additional instruction in Continuing Education/Extension should be based upon current institutional practices in that department.

VII. EXTRAMURAL FUNDING OF OVERLOADS

- 7.1. On occasion, a faculty or academic staff member will secure extramural funding that includes a salary for him/her which is payrolled through a UW-Superior cost center. In such an instance, it will be the individual's responsibility to indicate whether or not the extramural funding is expected to be recurring or non-recurring, unusual, and/or short-term in nature.
- 7.2. **If the extramural funding source is federal, no additional compensation, either overload or temporary increase in base pay, may be made unless the terms of the extramural funding source contract/grant specifically allow such an additional payment. With prior approval from the Grants Accountant,** the campus can request written permission from the federal agency/program officer in advance to allow an employee working on a federal grant to take on an overload during the same time period.
- 7.3. Overload payments administered through the university, regardless of the funding source, are subject to the requirements of this policy.

VIII. ASSIGNMENT OF FUNDING SOURCE

It is required by UW System to designate all funds received whose original source was federal funds as Fund 144 (meaning that time and effort certification now applies).

IX. RETROACTIVE FUNDING ADJUSTMENTS

The university has to not only consider time and effort in advance, but in retrospect also. This is particularly important, because once time and effort is certified for a given time period, performing a

direct retro (a transfer of salary from one cost center to another) that covers the same time period will necessitate re-certifying time and effort for that period. Even if an employee does not receive an overload, requesting a direct retro still creates issues as expenditures should be posted to the correct cost center(s) throughout the fiscal year since the university cannot earn interest on federal funds.

X. DEFINITIONS

- 10.1. "Time and Effort" is defined as amount of time that a person documents that they spent working on a grant that was funded by federal funds. Certified reports will reflect the distribution of all activities of a person who is compensated by/through the institution. Time and effort cannot exceed 100% during a given time period – this does not mean that "overtime" is not allowed, but rather that the percentage of effort that a person gives must be apportioned out to projects and cannot exceed 100%.
- 10.2. "Overload" is defined as compensation for duties above and beyond a normal load (normal load = 100%). Short-term assignments to meet special requirements that go beyond employee appointments and create workloads greatly exceeding 100% warrant additional, assignment-specific compensation. Overloads include courses taught during fall and spring semesters over and above what is considered a normal full load, as established by the university and outlined in the university handbook. Non-Instructional overloads may include oversight of a short-term project, system change or implementation of a campus-wide project. Administrative overloads will be based upon the function and/or responsibilities and an appropriate value for those responsibilities. Instructional overloads will be determined by the Dean of Faculties and/or the Provost.
- 10.3. "Significant work load" is defined as work performed in excess of 120% or ongoing for more than one month and requiring work hours greater than 50 each week.
- 10.4. "Direct retro" is defined as moving a staff person's salary from one funding source to another in HRS after the payroll period has passed and the employee has been paid.
- 10.5. "Temporary Base Adjustment" is defined as increasing an employee's base pay for a specific time period that is non-permanent, but greater than that defined as short term or incidental. The additional responsibilities must be considered vital and cannot be forgone to the university/departmental function. Requests for temporary adjustments will be reviewed by Human Resources and decisions will be based off of UW-System HR policies in regard to the additional responsibilities taken on.
- 10.6. "Extramural Funding" is funding that comes from a source other than the State of Wisconsin or student tuition and fees.
- 10.7. A stipend is a payment of additional compensation to an individual who is not currently working full-time (1.00 FTE). Stipends are reviewed by Human Resources to determine if that is the appropriate compensation mechanism.

XI. SUMMER SERVICE AND SUMMER SESSION

- 11.1. Summer Service and Summer Session appointments are governed by the summer appointment guidelines. *NOTE: Employees paid during the summer cannot exceed 100% of their pay on any of the summer service/session payrolls/pay dates.*
- 11.2. UW System polices state that the compensation received in the summer period may not, in aggregate, exceed 2/9 of the academic year salary of the person appointed unless an explicit exception is granted by the Chancellor or designee (Provost), regardless of source of funds. At UW-Superior, this requires that faculty, academic staff, or limited appointees on an academic year

appointment must first obtain **prior approval** from the Dean/Director and the Provost for summer appointments resulting in compensation in excess of 2/9 of academic year. The following conditions apply for summer appointments in excess of 2/9:

- Faculty and academic staff are eligible to receive up to 3/9 summer salary provided that at least 1/9 comes from extramural sources. In exceptional cases, to allow faculty and academic staff to meet ongoing institutional commitments, this policy allows all 3/9 of the summer appointment to be provided from non-extramural funds.
- The combination of regular and overload appointments in any one summer **may not exceed 3/9** of academic base salary
- Faculty and staff of 3/9 summer appointment commit 100% of their time during the entire three month period. This precludes the possibility of summer vacation time.

XII. EXCEPTIONS

Overloads for employees who are working on federal grants are allowed under the following circumstance:

- **With approval from the Grants Accountant**, the campus can request written permission from the federal agency/program officer in advance to allow an employee working on a federal grant to take on an overload during the same time period.
- Under this circumstance, written permission from the federal agency and approval from the Grants Accountant will be attached to the overload paperwork when it is submitted for signatures.

XIII. AUDIT

An audit by Human Resources, UW System Internal Audit staff, the Legislative Audit Bureau, or Federal Agencies may be conducted at any time; as such, units should keep documentation related to overload appointments and payments including the signed form, the letter outlining the duties and responsibilities of the employee, and a copy of all applicable Human Resources forms.

Missing documentation will lead to the presumption, which can be overcome, that the overload policy has not been followed. Each School/College/Division is responsible for maintaining records of overload assignments and payments. Human Resources is responsible for maintaining finalized copies of approved HRS paperwork per the Records Retention Schedule.

XIV. NEW OVERLOAD FORM

A new overload form has been developed to help route the document to the appropriate individuals on campus to address these issues in advance.

XV. REFERENCES

Unclassified Personnel Guideline 1 (<http://www.uwsa.edu/hr/upgs/upg01.pdf>)

Unclassified Personnel Guideline 4 (<http://www.uwsa.edu/hr/upgs/upg04.pdf>)

Wisconsin statute 16.417, "Dual employment or retention"

(<http://docs.legis.wisconsin.gov/statutes/statutes/16/III/417/2/f>)

University Handbook Chapter 4D Section 15 (<http://www.uwsp.edu/AcadAff/Pages/handbook.aspx>)

Overload approval form

Summer overload approval form



Chancellor

6/13/16

Date