

	Responsible Executive: Vice President for Human Resources (CHRO)	
	Responsible Office: Human Resources	
	Effective Date: 10/01/1993	Last Revised: TBD
	Policy Title: Supplemental Compensation	

Definitions

Staff Employees: Classified Staff, Service Professionals, Postdoctoral Scholars, and Non-Executive Administrators.

Policy

Staff Employees in good-standing may be eligible to receive supplemental compensation as outlined in this policy.

Section I: Supplemental Work

A. Supplemental work must be:

1. Performed for a department other than the employee's regularly assigned department;

OR

2. Specifically, and distinctly outside of the scope of the employee's regularly assigned job classification and work hours, and as confirmed by the supervisor, work that cannot be reasonably added to the current workload displacing other lower priority work.

B. Supplemental compensation requests should only be submitted for supplemental work for full-time employees during the periods of regular employment. All other requests should be submitted on an ePAR.

Section II: Prior Approval Requirement

Approval of supplemental compensation must be obtained **prior** to making final arrangements to begin any supplemental work. Payment in support of a supplemental compensation request is subject to approval of the employee's chain of command, the chain of command for the funding department, and other appropriate approvals as required by the appropriate Vice President/Provost.

Section III: Federal Fund Limitations

Federal sponsored agency regulations prohibit routine payment of supplemental pay for full-time employees. Exceptions to permit supplemental pay must be approved by the sponsoring agency according to the sponsor's policies and authorized by the required University official. Any contact with sponsoring agencies should be coordinated through the NAU Office of Sponsored Projects.

Section IV: Rate of Pay

- A. When the supplemental work to be performed by an employee is within their assigned job classification in a department other than the employee's assigned department, the supplemental compensation payment will be at the employee's regular rate of pay.
- B. When the supplemental work to be performed is separate and distinct from the duties and responsibilities of the employee's regularly assigned job classification, the supplemental compensation payment shall be within the assigned pay grade range of the job classification which reflects the supplemental work or at a rate approved by the appropriate Vice President/Provost and the Chief Human Resources Officer or designee.

Section V: Maximum Hours

Employees may not perform more than 10 hours of supplemental work per week.¹

Section VI: FLSA Considerations

- A. Exempt Employees: An employee exempt from overtime compensation is eligible for supplemental compensation provided that the following applies to the supplemental work:
 - 1. The supplemental work is approved by all appropriate individuals as required by the appropriate Vice President/Provost prior to making final arrangements for any additional supplemental work by the employee's department head to ensure that the supplemental work does not in any way interfere with the regular work of the employee.
 - 2. The supplemental work shall be performed outside the employee's normal work schedule, or the employee shall take vacation time if work is performed during the normal work hours.

¹ A 3 or 4 credit course is equivalent to 10 hours per week.

- B. Non-Exempt Employees: Under the Fair Labor Standards Act (FLSA), if the primary job of an employee is non-exempt in their regular role, all supplemental work is subject to overtime requirements.
1. If a non-exempt employee performs supplemental work in a classification that would otherwise be exempt (such as teaching a class), the payment for all supplemental work must be verified to be paid at least at time and one-half of the employee's normal hourly rate of pay. This payment must be processed on a supplemental payment form.
 2. If a non-exempt employee who is at less than 1.0 FTE performs supplemental work in a classification that is non-exempt, the pay should be processed on an ePAR, including any overtime, as outlined in the Overtime/Fair Labor Standards Act policy.

Related Information*

[Supplemental Compensation Request- Classified Staff/Service Professional](#)

[Supplemental Compensation Request – Faculty/Academic Professionals](#)

[Supplemental Pay for faculty – Policy Summary – Office of the Provost](#)

Policy History*

Origination Date: 10/1/1993

Revised: 12/22/1999, 1/1/2000

* Related Information and Policy History are solely for the user's convenience and are not part of the official university policy.