



Extra Service Pay (ESP) Policy (6.16)

Purpose

The purpose of this policy is to establish clear and consistent guidelines for Extra Service Pay (ESP) at Tennessee State University (TSU) while ensuring compliance with all applicable state and federal laws, rules, and regulations. This policy provides a framework for determining when ESP is permissible, particularly as it pertains to federally funded grants, and contracts.

- A. Administrator: A university employee (President, Provost, Vice Presidents, Assistant/Associate Vice Presidents, Deans, Assistant/Associate Deans, Executive Directors, Directors) with supervisory or programmatic responsibility whose primary role is administrative leadership.
- B. Department Head: A staff member who leads and manages all operations within a specific department, overseeing the staff, budget, and day-to-day activities; the principle decision-maker for that department.
- C. Department Chair: A faculty member with supervisory or programmatic responsibility and a corresponding administrative workload release from teaching responsibilities of not more than 6 credit hours (i.e., greater than 50% teaching responsibility)
- D. Academic Staff (Faculty): All faculty members who hold academic rank and who are directly engaged in instruction, departmental research or public service are classified as Academic Personnel. Academic personnel may be employed either on a 9-month service basis (academic year) compensated over a 12-month period (referred to as 9-month academic personnel); or employed on a 12-month period (referred to as 12-month academic personnel).
- E. Professional Staff: TSU employees who are exempt from the minimum wage and overtime requirements of the Fair Labor Standards Act. Their roles are essential in ensuring the university's operational efficiency and success. Professional staff (staff not classified as administrative staff, department heads, department chairs as described above; ie administrative assistants, program coordinators, academic coaches, academic counselors etc)
- F. Institutional Base Salary (IBS): The annual compensation paid by TSU for an employee's regular appointment, whether that individual's time is spent on research, teaching,

administration, or other activities. IBS excludes any form of additional compensation such as ESP.

- G. Extra Service Pay (ESP): Compensation for work performed outside of and/or in addition to normal working assignments and responsibilities. Such work is performed in addition to an Eligible Individual's full workload and is typically non-recurring and specific in nature.
- H. Principal Investigator (PI): The individual primarily responsible for the design, execution, and management of a grant-funded project.
- I. Additional Assignment: An assignment of duties within the institution that is not within the existing scope of work of an employee's regular appointment. Additional Assignments include: Temporary duties that are:
 - Substantively different from regular job responsibilities
 - Outside the scope of the employee's department or unit
 - Not accounted for in current workload calculations

Eligible Individuals: Administrators, Department Heads, Department Chairs, Faculty (9-month and 12-month), and Professional Staff that meet the stated criteria below are eligible to receive ESP.

Non-Eligible Individuals: The following types of employees are not eligible for ESP under this policy:

1. Faculty members that buy out 100% of their teaching load via extramural funding source(s).
2. Non-exempt employees. However, all hours worked by a non-exempt employee must be recorded on the employee's timesheet, and overtime compensation will be paid as appropriate through the payroll system and at the employee's base rate of pay. NOTE: If a non-exempt employee should be paid a higher rate of pay for extra service, contact Human Resources.
3. Graduate assistants and student workers.

Policy Statement

1. General Principles

- ESP is allowable only when it is consistent with TSU's policies that apply uniformly to all employees and when it is commensurate with the work performed.

- ESP requests must adhere to all applicable state and federal guidelines and must be contemporaneously documented to accurately reflect the actual work performed.

2. **ESP for Extramural Grant-Funded Projects, Contracts, and Other Sponsored Projects**

- **ESP is not available to:**
 - 9-month and/or 12-month faculty and staff serving as PIs and/or co-PIs on research and sponsored projects under which TSU is the prime recipient and/or lead. Compensation via ESP puts PIs and co-PIs over their institutional base salary (IBS). (see exception below)
- **ESP is contingent upon funding and available to:**
 - PIs and/or coPIs that receive written approval obtained from the funding agency explicitly allowing ESP above IBS for the PI and/or co-PI that TSU is the prime awardee and/or lead.
 - PI(s) and/or co-PIs of grants that TSU is not the prime recipient and/or lead, but a sub-awardee.
 - Faculty and staff working on grant-funded projects and/or contracts as non-PIs if effort on grant-funded projects and/or contracts is beyond the scope of their regular job duties and responsibilities and is properly documented, approved, and consistent with TSU's ESP policy.

3. **ESP for Non-Administrative Professional Staff (see Definition E)**

- Eligible non-administrative professional staff (**see Definition E**) may receive ESP for performing duties that go beyond the normal scope of work and standard work hours. This compensation may be provided when employees take on additional tasks due to staffing shortages or when there is an absence of personnel necessary to perform critical functions. ESP may also be granted for work that is substantially different from the employee's primary role and is completed outside their regular schedule to ensure the continuity of operations and institutional effectiveness.

4. **Compensation Limitations**

- Regular administrative staff, department chairs, department heads, professional staff (see Definitions A-E), and 12-month faculty may earn a maximum of 25% of their fiscal year salaries in ESP. The amount of ESP earned in any one month shall not exceed the employee's regular monthly salary.
- Regular 9-month faculty may earn a maximum of 25% of their academic salary in ESP. The amount of ESP earned in any one month shall not exceed a faculty member's regular monthly salary (i.e., one-ninth of their academic year salary). The amount of ESP earned in one month shall not exceed the employee's regular monthly salary.

Procedure

All ESP must be approved in writing prior to the start of work by the department head/chair where the work is to be performed.

1. The Eligible Individual shall notify the appropriate supervisor(s) of the description of services for which ESP may be warranted and the expected commitment of time.
2. Eligible Individual must complete and submit to the appropriate supervisor(s) an Extra Service Pay Form and Verification of Additional Work Form documenting the request for extra compensation prior to work being performed.
3. The rate of pay for extra service will be arranged between the Eligible Individual and the director or department head/chair receiving the service and must be approved by the appropriate division head and/or vice president.
4. All requests for ESP must be approved by the dean or director of the department requesting the services, and the division head and must be approved by the appropriate division vice president. When the FOAP is assigned to a different division, the division head's signature is required on the ESP form.
5. To be eligible to receive ESP, authorization must be documented and approved by the division head and the appropriate division vice president before services are rendered or work is performed, except in special circumstances approved by the TSU President.
6. ESP should be processed before the monthly payroll deadline in the month immediately following the date the work was performed.
7. ESP must comply with the rules and regulations related to salaries chargeable to the applicable federally sponsored program(s).
8. The TSU President may approve an exception to the procedures set forth herein in individual cases, as deemed necessary under the special circumstances. In the event that such an exception is granted, the Eligible Individual is responsible for (a) immediately notifying the appropriate division head or vice president and (b) completing the processes

set forth in this policy as soon as practicable after the services are rendered or work is performed.

Compliance with State and Federal Regulations

All ESP charged to state and federally funded grants, contracts, and other sponsored projects must comply with the following provisions:

- ESP must align with the TSU's written policies and apply consistently to all eligible Professional Staff.
- ESP charges must be supported by contemporaneous, accurate and documented records reflecting the actual work performed.
- Intra-institutional consulting arrangements must meet the conditions outlined in any applicable state and/or federal regulations, including agency approval.
- The University will report ESP earnings consistent with the requirements of Tennessee state law.
- Must strictly adhere to all federal and state regulations, grant and contract documents, granting agency policies and procedures, and guidance related to the use of funds for ESP purposes.

Other Relevant Policies

Outside Employment (Policy No. 6.26), Conflict of Interest (Policy No. 01.07)

Policy Review and Updates

This policy will be reviewed periodically to ensure compliance with state and federal laws, rules, and regulations and alignment with institutional goals. Any updates will be communicated to faculty and staff promptly. The President reserves the right to change, modify, and/or terminate this ESP policy at any time, with or without notice.

Policy effective date: May 1, 2025