5.1.3 Additional Compensation Policy

Formerly Known As Policy Number:
5.1.C

As members of the University’s academic community, faculty are expected to participate in a variety of Stanford activities and services without additional compensation. For example, additional compensation is not warranted for committee service or occasional service outside of the faculty member’s school or department that does not require a significant time commitment. However, additional compensation may be appropriate for significant contributions to special programs or activities which serve school or University needs. Members of the Academic Council and the Medical Center Line faculty may be eligible for such additional compensation from the University beyond their annual base salaries.

Additional compensation offered by a school to a faculty member in another school must be approved by the dean of the faculty member’s primary school in advance of the service being performed. This requirement is intended to ensure that deans are aware of the full scope of the obligations of their faculty members across the University and in order to determine whether the faculty member’s total compensation exceeds the threshold for reporting to the Board of Trustees. Additional compensation for faculty in amounts in excess of $5,000 must also be approved by the Provost in advance of the service being performed.

Additional compensation may be appropriate for nonstandard teaching activities at any time of year; fourth quarter payments for standard teaching and; administrative supplements for significant administrative service in connection with academic programs or activities. Additional compensation in the form of honoraria may be appropriate for occasional contributions to events outside of the faculty member’s school or department.

Schools should establish a policy specifying the type of supplementary compensation that faculty members may receive, which might include a cash payment to the faculty member or a transfer of funds to the faculty member’s school or department. The cognizant dean or department chair has the discretion to alter the prescribed form of compensation in any case to meet programmatic needs.

In order to assure that gifts comply with applicable regulations governing charitable contributions, and to assist in avoiding any appearance of conflict of interest, gifts from a faculty member to Stanford: may not be placed in accounts under the control of the donor (e.g. neither the donor, nor any individual reporting to the donor, may have signature authority over the account); should be placed in a unique account so that the source and use of the gifted funds can be clearly identified; may not be used to fund personal travel, purchases, or any other expense that could be construed by others to benefit the donor for purposes unrelated to his or her work for the University; and may not be used to fund the salary of the donor.

5.1.3(1) Nonstandard Teaching Activities

a. Definitions

Standard teaching activities, which do not result in additional compensation, include teaching a course that is part of a regular Stanford degree program and any other teaching specifically recognized (either at the time of
hiring or subsequently agreed upon by a faculty member and his or her department chair or dean) as constituting regular teaching responsibilities. Courses for which teaching is considered standard are usually listed in the Stanford University Bulletin, the Time Schedule, and/or the Summer Session Bulletin. All departmental and interdisciplinary curricula courses are in this category. Occasional guest lectures are part of standard teaching responsibilities. Regular teaching duties also include course development, reading honors theses, serving on dissertation committees and conducting PhD exams in the faculty member’s department.

Nonstandard teaching activities go beyond the normal requirements of teaching, research, patient care, and/or other University duties. Frequently innovative, they can benefit both the University and participating faculty members. Nonstandard teaching activities that may warrant supplementary compensation include, but are not limited to, participation in executive programs in the Graduate School of Business and the School of Engineering, in Continuing Studies and Stanford Alumni Association courses, in Postgraduate Medical Education Seminars, in the Health Improvement Program and in some courses offered by the Office of the Vice Provost for Undergraduate Education. In addition, nonstandard teaching may (under certain circumstances) include teaching in another unit that goes above the standard teaching requirement of a faculty member’s primary department or school.

Where the distinction between standard and nonstandard teaching activities is not clear, the faculty member has the responsibility of consulting with his or her department chair or dean in advance of making any commitment to teach, about the character of and amount of time to be spent on the proposed activity, and whether it will be the subject of supplementary compensation.

b. Approval of Nonstandard Programs
The Provost reviews and approves nonstandard teaching programs for eligibility to offer supplementary compensation to faculty. Approval must be obtained before arrangements are made with faculty. Requests for approval must include a description of the program, when courses are offered, and the formula used to determine the amount of time per course for which participating faculty are compensated. Approval is required by the Dean of the School in which the program is offered and by the Provost. However, it is not necessary to seek approval from the Provost for each faculty member’s compensation for a previously approved program, if the new amount is not more than 10% over the previous year’s compensation for the program.

c. Limits on Nonstandard Teaching
The limits placed on nonstandard teaching activities are the same as for outside consulting activities. The maximum number of nonstandard teaching days permissible for Academic Council members on full-time appointments is 13 days per academic quarter. As teaching is normally viewed in hourly terms, this translates to 130 hours per academic quarter, including preparation time. Faculty members who engage in outside consulting and/or nonstandard teaching may not exceed the 13-day limit for the two activities combined in quarters of full-time employment.

The following policies conform to Guidelines for Implementation of the Policy on Outside Consulting (See Research Policy Handbook, available from the Dean of Research or on-line at http://rph.stanford.edu/4-1.html. [1]

Averaging? A reasonable amount of “averaging” over the three quarters of the academic year (or full year for faculty on four-quarter appointments) is ordinarily acceptable, if discussed prospectively with the faculty member’s department chair or dean. Averaging from quarters of less than full-time service to quarters of full-time service is not permitted.

Periods of Part-time University Employment? The 13-day limit should be prorated for part-time appointments using the following formula: \((13 \times F) + ((1-F) \times 6 \times 13)\), where \(F\) is the fraction of full-time duty, 13 represents the average number of weeks per quarter, and 6 represents the maximum number of days per week likely to be devoted to professional activities. For example, a faculty member holding a 75% appointment is permitted up to
29 1/4 days of consulting/nonstandard teaching per quarter.

**Fourth Quarter**?Faculty on nine-month appointments with no salary supplement for the fourth quarter (usually summer) are not subject to the 13-day limit during the off-duty quarter but are subject to the limit for the quarters they are on duty. The 13-day limit applies to faculty receiving a 3/9 salary supplement for the fourth quarter. If the salary supplement is for less than 3/9 time, one of the following applies: 1) the appointment specifies a particular "on duty" calendar period during which the regular supplementary compensation policy applies and there is no limit during the remaining time; or 2) the appointment is part-time for all or part of the quarter and the prorating for part-time employment applies.

**Leave without Salary**?The 13-day limit does not apply to faculty on leave without salary. For leaves without salary for a portion of a quarter, the 13-day limit should be prorated on the basis of one day per calendar week of duty time.

**Sabbatical Leave**?Faculty on sabbatical leave who are receiving full-time University salary are subject to the 13-day limit. Faculty on sabbatical leave receiving less than full-time University salary may supplement income up to the full-time base salary, and in addition, may devote a maximum of 13 days to consulting/nonstandard teaching.

d. **Responsibilities of Faculty**

Faculty are responsible for adhering to limitations on nonstandard teaching activities as well as other aspects of the supplementary compensation policy. Moreover, faculty are expected to live up to the spirit of this policy as well as to its specifications, including obtaining prior approval from their Deans before committing to any such activities. Questions or ambiguities should be resolved with department chairs and deans prospectively to avoid negative effects on the primary functions of the University. Faculty are obliged to maintain accurate records of nonstandard teaching activities and to report fully on them when asked to do so by the University. As with consulting, the University has the right to protect itself from losses if a faculty member violates limitations set by this policy. The University may seek administrative remedy and/or reimbursement from a faculty member for salary and benefits covering time spent on nonstandard teaching in excess of the limits provided by this policy, particularly where amounts of time are significant and/or the faculty member did not seek prior consultation or follow advice given by his or her department chair or dean. See also the Faculty Policy on Conflict of Commitment and Interest at [http://rph.stanford.edu/4-1.html](http://rph.stanford.edu/4-1.html).

5.1.3 (2) **Fourth-Quarter Payments for Teaching and Research Activities (for faculty appointed on a nine-month calendar)**

This section applies to faculty members appointed on a nine month calendar, regardless of whether salary payments are spread over a twelve month period. Faculty appointed on a twelve month calendar are not eligible for special fourth quarter compensation.

Faculty may be paid up to 20% of their annual base salary for full-time teaching of standard courses during the fourth quarter. For teaching during the fourth quarter of specially-designed courses that require extra preparation but are part of the regular curriculum, a faculty member may be paid up to 3/9 of his or her annual base salary. For full-time research or a full-time combination of standard teaching and research during the fourth quarter, faculty may be paid 3/9 of their annual base salary. All such fourth quarter payments shall be calculated at no more than the rate of pay in effect at the beginning of the fourth quarter. Prorated amounts may be paid for less than twelve weeks and for part-time service.

5.1.3(3) **Administrative Supplements**

Administrative supplements are paid to faculty who take on significant administrative duties that are outside of their usual faculty responsibilities or normal committee work. An administrative supplement may be given when the faculty member is expected to contribute considerably more time to the University, to set aside his or her
research to take on administrative tasks, and/or to assume greater responsibility on behalf of Stanford. Examples of the types of administrative roles for which administrative supplements are paid are departmental chairs, associate deans, program directors and chairs of long-standing committees. The amount of the administrative supplement reflects the level of commitment and complexity of the administrative role. The administrative supplement may take the form of salary, increased sabbatical or research funding. The form is negotiated with the faculty member and approved by the relevant Dean. Administrative supplements are contingent on and coterminous with continued satisfactory service in the appointed administrative role, which service is at the pleasure of the appointing administrative officer.

5.1.3(4) Honoraria

Occasionally, a faculty member may contribute to special events such as symposia, professional conventions organized and held at Stanford, or lecture series organized by Stanford colleagues outside his or her own department. Faculty may also take on other nonstandard University activities outside his or her own department at the request of the Dean or Provost. Such exceptional service may warrant supplementary pay in the form of one-time honoraria.


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