

Personal Services Agreement (PSA) Stipend (Supplemental Pay) Procedures

Scope:

These procedures apply to supplemental payments for all UNC employees for services provided in addition to or outside defined or typical job duties.

Definitions:

Personal Service/Stipend Agreement – Agreement between the University and a current employee for supplemental pay that requires approval by the supervisor and by the Chief Academic Office in the case of a faculty employee.

Supplemental Pay – Wages for regular UNC employees (hourly or salary) who provide service in addition to and outside their usual contract duties. Supplemental payments are subject to federal and state income tax withholding, PERA or ORP pension withholding and Medicare tax, if applicable.

- Classified and exempt employees may receive supplemental payments only under certain conditions and no supplemental payments will be paid to a classified or exempt employee until approved by the Director of Human Resources or designee.
- Faculty supplemental pay must also be approved by the Chief Academic Officer (Provost) prior to pay.
- Students and Temp Employees (Tech Pro's and University Aides) may not be paid on a PSA.

Authority:

- Fair Labor Standards Act
- Board Policy 2-3-401
- Board Regulations 3-3-401
- State Personnel Rules P-3-26 through P-3-50
- OMB 2 CFR-200

Responsibility:

It is the responsibility of the authority" approving" the supplemental pay to:

1. Comply with all Federal, State and University Regulations regarding supplemental pay for employees;
2. Ensure the services provided for supplemental pay are not a component of the current employment commitment to the University;
3. Ensure that the additional work assignment does not conflict with the needs of the department, or compromise the amount or quality of the instructional, scholarship or administrative work of the University.

Requirements:

General

1. All PSAs will be reviewed by Payroll Services for compliance with procedures prior to payment. Payments may be delayed if Payroll Services determines more information is required or procedures were not followed. PSA forms lacking required information or signatures will be returned for completion, which may delay payment in the current month.

If a special check is required for payment on a day other than a scheduled pay day, a special check request must accompany the PSA form and there may be a charge to the department for the special check.

2. Students should not be paid on a PSA. All students should be hired through an EPAF.
3. A request for supplemental pay may be handled as a continuing payment, typically over one semester. On the Stipend Amount line, indicate the gross amount of the payment to be made, and the number of payments or months this amount will be split between.
4. Payments made via PSA must be made within one month after the services are completed to ensure compliance with Federal and State laws and regulations. The supervisor is responsible for submitting paperwork in a timely manner.
5. No PSA will be processed if it is under \$50.00.
6. No supplemental payments must be approved prior to pay.
 - a. Classified or Administrative Exempt employees cannot be paid until approved by the Director of Human Resources or designee.
 - b. Faculty supplemental pay must also be approved by the Chief Academic Officer (Provost) prior to pay.

Classified Staff

1. All Classified staff eligible for supplemental pay should be paid using a Personal Service Agreement (PSA) form.
2. All Classified staff payments made via PSAs will be charged the appropriate fringe benefit rate.
3. Prior to authorizing any supplemental pay, if work is being done in their "Home" department, the Department must determine if the employee is eligible for overtime pay. Questions should be directed to Human Resources.
4. Classified employees are eligible for payments for extended services via PSA payments. Extended services relate to employees who temporarily assume responsibilities in addition to and outside those stated within their Position Description Questionnaire (PDQ) and continue over a stated service period.

Faculty and Exempt Staff

1. Full-time faculty and administrative exempt staff assignments greater than one FTE must be paid on a PSA unless it is teaching/instructional. "Instructional assignments" over one FTE must be written as an overload contract. However, no employee may have a PSA without a Primary job which has begin and end dates that will be equal to or greater than the PSA dates.
2. The fringe rate for a PSA will be the same as the fringe rate that is applicable to the employee's classification as full-time or part-time.
3. Part-time faculty may be paid with a PSA if the assignment is non-teaching/non-instructional.

PSA Form Instructions:

Form Completion and Procedures

1. The Hiring department completes all information in the top, prior to the employee commencing work. The department should start at the top with completing "originator" and then tab through the form for other details. Describe in detail the nature of the additional duties and the date/s that the supplemental services were performed (or attach other letters/documents describing the service, as appropriate). On the Stipend Amount line, indicate the gross amount of the

payment to be made, and the number of payments or months this amount will be split between.

2. All Required signatures must be completed prior to pay. **Signatures are from the Dept in which the Work is being completed**
 - The Employee signature is HIGHLY recommended as this is a contract between the Dept and the Employee. In cases where the Employee is not available to sign this will be verified by Payroll based on the circumstance.
 - Home Department Supervisor; FOAPA Authority; Home Department Dean/Director/VP; and Work Supervisor Signature at the bottom are required with no exceptions prior to submission to Payroll.
 - Provost signature is required on all Faculty and Exempt PSA's over \$2500 (Payroll will obtain signature if needed).
 - HR Director or Designee signature is required on all Classified and Exempt PSA's (Payroll will obtain signature if needed).

3. The **“Work Supervisor”** must certify by signing at the bottom of the PSA that the work has been completed or will be completed prior to submitting for payment. The Supervisor assumes responsibility for notifying payroll if for some reason, the services are not completed.

The completed form must be returned to Payroll Services by the 15th of the month to ensure payment on the next regularly scheduled payday. PSA forms lacking required information or signatures will be returned for completion, which may delay payment. If a special check is required for payment on a day other than a scheduled payday, a special check request form must accompany the PSA and there may be a charge to the department.

Other Forms: Forms for Vacation, Leave Without Pay and/or Requests for Approval of Off-Campus Consulting, Exempt positions teaching classes during regular work hours, or Professional Activity may be required in conjunction with the PSA/Stipend Request form.

Variance From Procedures: The requirements detailed above are necessary to ensure compliance with State and Federal laws and regulations. Any variances will require justification and special approval by the UNC Controller. Justification must include:

1. Why the procedures were not followed (e.g., request for payment submitted within one month of service, etc.)
2. What corrective action has been taken to ensure proper procedures will be followed in the future.
3. Name and phone number of person to contact with questions.

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