Procedures for Use of Stipends and Additional Compensation for Salaried Employees

The following procedures describe the appropriate use of stipends and additional compensation for University of Maine System salaried employees. These forms of compensation may be appropriate for represented faculty, represented salaried employees, and non-represented salaried employees.

A stipend is a payment in addition to the base pay for an assignment which is not part of the employee's ongoing appointment, but which is part of the normal workload, i.e. within the assigned percent of full time. A stipend is used to separate the portion of compensation paid to an employee for the effort and responsibility related to a special assignment. If the special assignment ends, the salary should revert to the salary for the ongoing appointment.

When compensation is for additional effort, outside the work year or beyond the assigned percent full time, additional compensation (not in the form of a stipend) is appropriate (earnings code 210 for research and other non-teaching assignments or an appropriate earnings code for overload teaching).

Any form of stipend or additional compensation for members of Management Group and positions that report directly to a university President requires prior Chancellor approval (see Procedures for Review of Appointments and Salaries). Any stipend or additional compensation that, when added to base salary, results in a total salary for any employee at a specified level (currently $90,000) must be reported to the Chancellor.

Stipends

Temporary stipends (earnings code 680) are used for an assignment which will last less than one full work year. For an employee with an academic year appointment, this means less than nine months. Temporary stipends are paid over the period of the assignment rather than being spread over twelve monthly installments. Temporary stipends are not included in the 'SALBASE', which is used for benefits calculations. Consequently, benefits which are based on salary, such as retirement, life insurance, and long-term disability, are not based on the stipend amount.

Regular stipends (earnings code 690, or for stipends for endowed/named chairs earnings code 691) are used for an assignment which will last one full work year or longer. The stipend is spread over twelve installments. The stipend is included in the calculation of 'SALBASE'. Benefits based on salary, such as retirement, life insurance, and long-term disability, are based on the salary including the stipend.

Ranges for Stipends

The base salary of senior administrators holding academic rank may include a specifically identified administrative duty stipend. The amount of the stipend is limited to the following maximum amounts:

Vice President, Provost, or Dean: up to $15,000
Associate or Assistant Dean or Executive Director: up to $12,000
Director: up to $9,000
Chairperson excluded from collective bargaining unit: up to $9,000

A stipend greater than the above amounts requires Chancellor approval.

Payment of the stipend, unless otherwise stated, carries an obligation of service on a fiscal-year basis. Exceptions, where appropriate, may be recommended to the Chancellor by the President.

The President may approve an increase in the amount of a stipend during the term of appointment or upon appointment to a subsequent term, subject to approval by the Chancellor if the stipend will exceed the maximum for the range, if required for the level of the resulting salary, or if for a Management Group position or a position which reports directly to the President. Stipends are not affected by across-the-board increases.

Payment of a stipend may also be appropriate for titles other than those identified above.

EXAMPLES of situations in which payment of a stipend is appropriate:

Appointment as Chair

A faculty member who serves a term as chair is paid a stipend in addition to the base salary as a faculty member. The stipend is compensation for the administrative duties. The stipend is normally in addition to a reduced teaching load. Stipends for chairs who are in the faculty unit are determined by Article 13 of the AFUM contract.

Some positions with titles other than chair operate in a similar fashion, as described below under "Positions which rotate."

Acting or interim appointment

An employee may be appointed to a position in an acting or interim capacity. If the appointment is for less than one work year, the stipend is a temporary one. If the appointment will continue for one work year or more, the stipend will be regular for the term of the appointment. Instead of compensating with a stipend, an acting appointment may carry a salary appropriate to the position being held. At the end of the appointment, the salary reverts to the previous salary, adjusted by generally applied increases which have occurred in the interim.

Positions which rotate

Some positions other than chair rotate on the basis of term appointments. For some positions as assistant or associate dean, faculty are appointed for a term of one or more years with the intention that the position will be filled with another faculty member at the end of the term. Compensation for the added duties in this situation should be in the form of a stipend, so that the amount is kept separate from the faculty salary.

University administrative policy states that a stipend is for the duties of the position year-round unless otherwise specified. This means that a stipend added to an academic year appointment carries fiscal-year administrative duties. If summer salary (earnings code 210) will also be paid for summer effort, that should be clearly stated at the time of the appointment in a letter of appointment and in any materials submitted for Chancellor approval.

Other positions which rotate may have titles such as director (e.g. director of an interdisciplinary program or a research laboratory) or coordinator (e.g. graduate program coordinator within an academic unit).

Named professorships

The Board of Trustees has approved a number of named and endowed professorships, including the Libra professorships. Appointment to one of these professorships carries a stipend, which is paid from a restricted account specifically for support of the professorship. If an individual who is not a University employee is paid a salary for short-term service as a named professor, the pay should be considered regular, base pay. A stipend is appropriate when it is in addition to salary for a University employee. If an individual is paid an honorarium for limited service as a named professor, the campus should determine whether payment should be as an employee or independent contractor, using the standard criteria.

Additional duties for a fixed period of time

Occasionally an employee is assigned added duties for a fixed period of time. For example, an employee might be given some responsibilities of a vacant position without being appointed to the full position in an acting capacity. A stipend is appropriate in this situation. When the vacant position is filled, the stipend is discontinued. If the vacant position is not filled and the duties are permanently assigned to the employee with the stipend, a salary adjustment or reclassification should be considered to replace the stipend.

Upper level administrators, in titles such as Dean and Vice President, should not ordinarily be given stipends for this circumstance. The base salary for these positions is compensation for the position, including changes in assignment resulting from short-term needs or reorganization. If a major change in the level of responsibility occurs, a salary adjustment or stipend for a specified term may be considered.

Appointments as Dean, Director, or Vice President

The Handbook for Non-Represented Faculty and Salaried Staff states that "The base salary of senior administrators holding academic rank may include a specifically identified administrative duty stipend." The policy also states "Alternatively, senior administrators holding academic rank may be compensated in the administrative position by a salary without a stipend. When such an appointment is approved, the Chancellor and/or the appropriate campus President shall also identify in writing a salary amount which will serve as the basis for determining the individual's subsequent salary when leaving the administrative position and returning to a faculty or other position."

Universities have generally found that the salary without stipend is more appropriate for positions which may continue for a number of years -- when the appointment is for an indefinite period or the incumbent may be considered for reappointment to any number of terms. Stipends are not increased by across-the-board increases. This disadvantages an employee who is compensated by a stipend for a long time.

Additional Compensation

Work outside the work year or outside the normal workload is not compensated with a stipend. Such additional effort should be compensated using earnings code 210 for additional compensation or the appropriate earnings code for overload teaching. Additional compensation is appropriate in situations including summer research work paid for by a grant, work for a department other than the employee's primary department, work outside the regular position, or teaching of a non-credit course outside of normal work hours. For example, an employee who works in an academic department may serve as a timekeeper for athletics events; an employee in an administrative office may agree to write or edit a manual for a different department outside of normal work hours; an employee may agree to teach a non-credit course related to a hobby or interest. Such work is generally sporadic or short term. If the work is for a department other than the primary department, approval of the primary department is required to ensure that there is no conflict between the regular position and the additional effort.

Monitoring stipends and additional compensation

Each university should periodically review all payments of stipends and additional compensation to ensure consistent application of these guidelines. If the university finds that additional compensation is continuing over a long period, the situation should be reviewed to determine whether it is appropriate or whether an adjustment to the base salary should be considered.

Collective bargaining agreements

For represented employees payments must be in accordance with the applicable collective bargaining agreement. In the AFUM unit, relevant provisions are in Article 13 (chair stipends) and Article 20 (overloads). In the UMPSA unit, see Article 14, Section B.9.

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