

## **ADMINISTRATIVE SUPPLEMENTS**

### **Guidelines and Procedures**

#### ***Purpose***

In some situations it has been determined that the use of an administrative supplement is an appropriate way to recognize a specific assignment for a faculty or staff member. This mechanism allows a salary adjustment for increased or temporary duties to be tied to the specific appointment or assignment. When the faculty or staff member completes or relinquishes the appointment or assignment, the administrative supplement is removed.

An administrative supplement may be considered in the following cases:

- a) When a person assumes a position with an increased level of responsibility, but maintains the right or understanding that he or she can or will return to a prior position. This would be more common with faculty, for example, where a faculty member becomes a department head, but can return to the faculty at some future time.
- b) When a person assumes additional responsibilities over and above those of his or her current position. Often these are associated with an interim or temporary appointment.

#### ***Supplement Amount***

To maintain consistency across operating units, the following guidelines are offered to assist in determining an appropriate supplement amount.

- a) Appointments or assignments that can be related in scope to managing a small department or less would normally earn up to 5% of the individual's current base salary not to exceed \$5,000;
- b) Appointments or assignments that can be related in scope to managing an average to large department would normally earn up to 10% of the individual's current base salary not to exceed \$10,000;
- c) Appointments or assignments that can be related in scope to managing a school would normally earn up to 15% of the individual's current base salary not to exceed \$20,000.
- d) Appointments or assignments that warrant amounts outside of these guidelines will require special consideration and approval by the President or those who report to the President for their respective areas.

#### ***Approvals***

New administrative supplements must be requested by the Dean, Director or Vice President and will require approval in advance by the President or those who report to the

President for their respective areas. Annual adjustments to existing administrative supplements will be reviewed and approved as part of the budget process. However, these adjustments will be considered outside of the annual salary policy. Only the base salary will be subject to the merit increases that are addressed in the annual salary policy. Adjustments at times other than the annual budget process will require approval in advance by the President or those who report to the President for their respective areas.

To document the administrative supplements, a budget table will be included in the annual budget analyses that lists all staff who have been approved for an administrative supplement. The table will report for each person the current base salary, the proposed base salary, the current approved supplement, the proposed supplement, and percent increase (if applicable). Annual increases to the administrative supplement are not required and may not be appropriate in all cases.

### ***Processing Procedures-Budget***

***Annual Budget*** - Faculty and Staff who have been approved for an administrative supplement should be budgeted at their base salary, which is defined as the current salary less the applicable administrative supplement. This procedure will document the base salary and merit increase in the official budget record. The approved administrative supplement will be added back to the new base salary by processing a Payroll Change that will adjust the full-time annual rate for the position or part of the position being supplemented. These Payroll Changes will be submitted with the budget. The funding for these administrative supplements should be budgeted in a separate wage line identified by name (Admin Supplement – Jones).

***Required 1008*** - To ensure that the base budget for the appropriate staff category is adjusted, a recurring 1008 should be processed after July 1<sup>st</sup> to move funds from this wage line to the appropriate staff category. This base adjustment will ensure that the administrative supplement component of salary and wages will be increased in future budget years by the appropriate raise factor.

### ***Processing Procedures-Payroll Appointments***

***Budgeted Administrative Supplements*** – The payroll and budget systems require the processing of a Payroll Change and 1008 to implement an administrative supplement approved during the budget process. Both the Payroll Change and 1008 will be required regardless of whether the administrative supplement is increased with the budget. The Payroll Change should add the administrative supplement to the approved base salary. The amount of the administrative supplement should be listed in section 18 of the Payroll Change along with a notation stating “To implement administrative supplement per budget”. These Payroll Changes should be forwarded with the final budget material to the Office of Budget and Fiscal Planning with the advance copy left intact and should be signed by the school business manager or senior business officer. The 1008 should be processed after July 1<sup>st</sup> to move the funds from the wage line to the appropriate staff category. This recurring base adjustment will ensure that the administrative supplement component of salary and wages will be increased in the next budget year by the appropriate raise factor.

***New Administrative Supplements*** – New administrative supplements approved outside of the budget process should be implemented by processing a Payroll Change [and 1008](#). The Payroll Change should add the administrative supplement to the current base salary. The amount of the administrative supplement should be listed in section 18 of the Payroll Change along with a notation stating “To implement administrative supplement”. These Payroll Changes should be forwarded to the Human Resource Services Office with the advance copy left intact and should be signed by the school business manager or senior business officer. [The 1008 should be processed along with the Payroll Change to move the funds from their current budget category to the appropriate staff category. This recurring base adjustment will ensure that the administrative supplement component of salary and wages will be increased in the next budget year by the appropriate raise factor.](#)

### ***Offer Letters and Employment Contracts***

When an appointment is made that includes an administrative supplement, the offer letter should clearly state the amount of the supplement and the conditions for receiving it.

When an employment contract is required for an appointment that includes an administrative supplement, the contract should be prepared as follows:

1. The salary reported should include the base salary plus the administrative supplement;
2. The “Attachments” section should state that the salary includes an administrative supplement of \$xxxxx.
3. The offer letter should be referenced on the contract and the offer letter should clearly note the amount of the administrative supplement

An Employment Contract will be required for all new appointments to the University who are receiving an administrative supplement in addition to their base salary. Faculty should use a Form 19 and Administrative/Professional should use a Form 19A/P unless one of the following conditions exist:

1. New faculty employed less than two complete pay periods.
2. New academic year faculty employed for the summer session only.

Continuing non-tenured faculty do not require a Form 19 unless one or more of the following situations exist:

1. Contract is extended beyond approved ending date.
2. Change in total FTE.
3. Change in department(s).
4. Change in position classification.
5. Decrease in base salary.
6. Special terms and conditions beyond existing contract (other than the effective dates of the administrative supplement).
7. Tenure probationary period is extended in accordance with Executive Memo B-48.
8. Special Purdue University Programs that affect conditions of employment (Foreign Assignments).
9. Conversions from AY to FY or FY to AY.

Continuing tenured faculty do not require a Form 19 unless one or more of the following situations exist:

1. Conversions from AY to FY or FY to AY.
2. If tenured at .50 FTE and then increased to a greater FTE, a Form 19 will be needed to explain the new tenure status.

Continuing administrative/professional staff do not require a Form 19A/P.

### ***Charging Procedures***

Administrative supplements are tied to a specific assignment, carrying a specific position code and FTE. As referenced above, a Payroll Change and corresponding Change in Budget Estimate (Form 1008) will be processed at the start of each fiscal year to reflect the appropriate compensation for the employee. The administrative supplement will be included with base compensation of the associated appointment to form total compensation for the position. Payroll records will record these combined amounts as salary and wages paid to the employee without any distinction between base pay and the administrative supplement components.

### ***Effort Reporting***

The administrative supplement will not be separately recorded from base compensation within the payroll records. Therefore, if current guidelines require effort reporting for a particular appointment, the combined amounts for base salary and administrative supplement for each position code associated with the employee must be included for reporting purposes. Many staff performing central administration functions are not currently required to complete an effort report.

### ***Questions***

Questions concerning this policy or the outlined procedures should be directed as follows:

West Lafayette:

- a) Budget-related questions to the Office of Budget and Fiscal Planning;
- b) Payroll-related questions to Human Resource Services;
- c) Effort reporting questions to the Costing Office;
- d) All other questions to the Department or School Business Manager.

Regional Campuses:

- a) All questions should be directed to the appropriate Vice Chancellor.