

VIRGINIA MILITARY INSTITUTE  
Lexington, Virginia

GENERAL ORDER)  
NUMBER 57)

19 September 2014

## **Salary Supplements and Stipends**

### **1. Purpose**

This policy defines the use and application of salary supplements and stipends as additional compensation for employees.

### **2. Applicability**

This policy applies to all full-time instructional faculty members, A&P faculty members and classified employees at the Institute. It applies to all work by a faculty member for the Institute within or outside of the scope of the faculty member's regular assigned work, both during the term of the faculty member's contract period and at times between contracted periods of employment (usually summer months).

### **3. Definitions**

#### **a. Salary Supplement:**

A salary supplement is additional compensation added to an employee's annual salary rate. As an addition to the annual salary rate, the supplement represents compensation that is included in the employee's annual compensation for employer contributions to the employee's pension plan and is included in the compensation for the determination of group life insurance coverage. A salary supplement is for a fixed annual amount; a supplement is not increased by any across-the-board increases or other adjustments to an employee's annual salary. A salary supplement is normally characterized by the following:

- The salary supplement is awarded for a continuing assignment lasting for at least one academic year.
- The salary supplement recognizes significant additional duties and responsibilities that are directly related to the employee's primary job responsibilities or for significant additional duties that are assigned by the Superintendent or the senior executive over the employee's area of responsibility. The Institute will separately track approved salary supplements and reduce the employee's salary by the amount of the supplement when the employee is no longer performing the additional duties.
- The Superintendent or the senior executive considers the assigned duties and responsibilities as mission critical. Mission critical duties, if not performed, would cause serious, long-term problems to the Institute's academic or co-curricular program.
- A salary supplement is formally assigned in writing as part of the employee's employment agreement or by formal memorandum.

b. Stipend:

A stipend is additional compensation not added to an employee's annual salary rate for the calculation of benefits. A stipend may be paid in semi-monthly increments over a period of time, or in a lump sum. A stipend is normally characterized by the following:

- A stipend is paid for additional work performed outside that delineated in the employee's employment agreement or the normally assigned duties and responsibilities.
- The stipend is paid for work performed principally outside the normal work hours expected of the employee, or alternatively causes the employee to work beyond normal duty hours to perform normally assigned work.
- A stipend is often an additional, voluntary assignment, where the employee may choose to end the assignment.
- A stipend may represent an award or a merit pay bonus granted in accordance with the merit pay plan.
- A stipend is paid for summer session teaching and adjunct teaching.
- An automobile allowance or a paid membership is considered a stipend.
- A stipend may be approved in lieu of a retroactive salary adjustment when in the judgment of the senior executive the pay adjustment is warranted.

#### 4. Policy and Procedures

a. Approval Procedures for Salary Supplements

- Salary supplements must be formally authorized and approved in the employee's employment agreement or by formal memorandum. The authorization must include a start date. A salary supplement will not begin before the employee has assumed the additional responsibilities. It is the responsibility of the appropriate Senior Executive to notify the Human Resources Office as soon as the salary supplement should be discontinued.
- Normally, salary supplements are initially authorized through the annual budget process and renewed each year through this process. Salary supplements paid to a group of employees, such as the supplements for department head, need not be separately approved. Changes of the employees designated to receive the supplements do not have to be approved through the budget process, but must be approved by the Superintendent. Changes in the amount of a salary supplement will be approved through the budget process.

b. Approval Procedures for Stipends

- The payment of stipends must be requested in writing by the department providing the funding for the stipend and approved by the appropriate senior executive or his/her designee. Stipends will not be paid in advance for work not yet begun. All stipend requests shall include an end date; the appropriate Senior Executive can extend the supplement by submitting a new request, as needed. The Superintendent will annually review stipends across the Institute.

- When a stipend is awarded to any employee in a position considered “non-exempt” from the overtime provisions of the federal Fair Labor Standards Act, and the additional work is expected to require additional hours beyond a normal 40-hour work week, the stipend awarded must be equivalent to or more than the employee’s time and one-half hourly rate for every additional hour worked. Stipends will not be paid to employees in FLSA non-exempt positions if the employees record their hours for the additional work and are paid overtime rates for the work. Note: Whenever a stipend is being contemplated for a nonexempt classified employee, Human Resources should be consulted to ensure that state mandates on pay and hours are being followed.
- c. Determining the Amount of the Salary Supplement or Stipend  
In determining the appropriate amount of the salary supplement or stipend the requesting department will take into consideration the following, as applicable:
- The importance of the additional assignment
  - The additional time required to satisfactorily perform the additional duties
  - The rate of pay for other employees, compensation survey or peer survey data for comparable duties
  - Availability of funds for the purpose
- d. Review of Salary Supplements and Stipends  
On an annual basis in conjunction with the budget process, each Senior Executive will review the salary supplements and stipends paid to employees in his or her area of responsibility to determine the adequacy of the supplements and stipends and the need to change or discontinue the payments.
- e. Exceptions  
Exceptions to the approval procedures in this policy must be approved by the Superintendent or his designee.

FOR THE SUPERINTENDENT

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Colonel, U.S Army (Ret.)  
Chief of Staff

DIST: E  
OPR: IPC