**SECTION**: Human Resources

**NOTE:** Any changes to process due to pandemic or remote work should be documented in procedures.

**SUBJECT**: Employment Hiring Process – (Supplemental Pay) PeoplePay Process Documentation

**APPLIES** **TO**: All Regular Staff Members (Excludes Temporary Employees)

**NOTE: Changes for FY2023 are identified in red text**

**Supplemental Pay Process Overview**

The objective of the supplemental pay process is to ensure the appropriateness of the payment and shortcode.

**Supplemental Pay Process**

|  |  |  |
| --- | --- | --- |
| **Activity** | **Responsibility** | **Reference/Comments** |
| If the position is a bargained-for position, refer to the appropriate contract for process activities. |  | For information on Unions and Contracts:  Union Contracts and Wage Schedules: <https://hr.umich.edu/working-u-m/my-employment/union-contracts-wage-schedules>  Academic Contracts: <https://hr.umich.edu/working-u-m/my-employment/academic-human-resources/contracts> |
| If the position is a Regent approved position, refer to the Regents Bylaws and Regents Communication Manual for process activities. |  | Board of Regents Bylaws can be found at: <http://www.regents.umich.edu/bylaws/>  Academic Personnel Regents Communication Manual can be found at: <http://www.hr.umich.edu/acadhr/manual/index.html> |
| Use PeoplePay to determine appropriate form(s) to complete based on the type of transaction being processed or use SSC eForm for assistance.  Common types of supplemental payments include:   * Reimbursement/Advances of Moving and Relocation Expenses. * Request for Royalty Payment. * Request or Record Payment of Awards, Prizes, or Gifts.   ***NOTE:*** *If pay is for extended work it should be reviewed with HR to determine if a temp appointment is necessary or with Procurement to determine if a contract is necessary.* | [insert appropriate person/position] (HR Officer, Administrative Assistant, Hiring Manager) | [SPG 201.68, Moving and Relocation Expenses](http://www.spg.umich.edu/policy/201.68)  Payment of moving and relocation expenses may be provided for staff members who are employed in difficult to recruit occupations and those who are transferred from one University geographic location to another.  Information on royalty payments can be found at: [SPG 303.04, University of Michigan Technology Transfer Policy](http://www.spg.umich.edu/policy/303.04)  [Innovation Partnerships](https://innovationpartnerships.umich.edu/) and the [Office of the Vice President for Research website](http://www.research.umich.edu) also have information regarding the payment of royalties.  Refer to [Tax Compliance and Planning website](http://finance.umich.edu/tax) and [SPG 501.12, Awards, Gifts, and Prizes](http://spg.umich.edu/policy/501.12) for specific details regarding Prize, Gift or Award Payment.  In general, the value of prizes, gifts, or awards given to a person currently employed by the University or employed in the past 12 months is considered taxable income and must be reported on the person's Form W-2. |
| Determine appropriate ShortCode(s) and earning amount per pay period. | [insert appropriate person/position] HR Officer, Department Manager | To remain compliant with federal sponsor guidelines, consider impact supplemental pay may have on the appointment. [SPG 501.10, Policy on Effort Certification](http://spg.umich.edu/policy/501.10)  For detailed information on Effort Reporting, visit the  website:  <http://www.finance.umich.edu/finops/payroll/faculty/effort>  See process documentation for Effort Certification Reporting Process. |
| Obtain appropriate signatures and submit to Unit’s Human Resources.  ***NOTE:*** *For payments to non-employees follow the routing instructions on the bottom of the form.*  ***NOTE:*** *If required by unit or institutional guidance, additional approvals are obtained during expenditure reduction (budget freeze).* | [insert appropriate person/position] (HR Officer, Business Administrator) | Approval should be done by someone with higher level authority.  ***NOTE****: If pay is for extended work it should be reviewed with HR for possible temp appointment, or with Procurement for possible contract.* |
| Discuss all actual and potential conflicts of interest or commitment with candidate and any disclosures as necessary. | [insert appropriate person/position] (HR Officer, Administrative Assistant, Hiring Manager) | [SPG 201.65-1, Conflicts of Interest and Conflicts of Commitment](http://spg.umich.edu/policy/201.65-1)  Consult department’s policy [insert Local Policy]. |
| Ensure supplemental pay is processed correctly by comparing the gross pay register with the source documentation (i.e., Reimbursement/ Reconciliation of Moving and Relocation Expenses Form, Request for Royalty Payment Form, etc).  ***NOTE:*** *For payments to non-employees review voucher detail.* | [insert appropriate person/position] (HR Officer, Business Administrator, Administrative Assistant, Shared Services Center for in scope units) | Payroll Yearly Trend Report can be found under the MGMT REPORTS tab of M-Reports (go to [Wolverine Access](https://wolverineaccess.umich.edu/collection/all/faculty-staff-wolverine-access)/M-Reports).  A comprehensive list of Additional Pay monitoring reports can be found here: <https://hr.umich.edu/working-u-m/management-administration/compensation-classification/additional-pay-resources/reports-additional-pay-monitoring>.  A list of Payroll activity that is reconciled by the SSC can be found under related topics: [https://ssc.umich.edu/accounting-services/reconciliations/](https://ssc.umich.edu/accounting-services/reconciliations/%20).  For HR Reports contact [uhr-report-issues@umich.edu](mailto:uhr-report-issues@umich.edu) |

Other related information:

Key Contacts:

* Contact your HR Unit Liaison [insert name] for M-Pathways access question.
* Contact HR Officer [insert HR Office or equivalent name] for any concerns.
* For University HR assistance contact University HR Rep.

Related Standard Practice Guides:

* In accordance with [SPG 201.65-0, Work Outside the University](http://spg.umich.edu/policy/201.65-0), University employees may be employed outside of the University, but the outside employment must not detract from the performance of the duties and responsibilities of the University position, nor may it create a conflict of interest.
* In accordance with [SPG 201.35, Non-Discrimination](http://www.spg.umich.edu/policy/201.35), the University, in its employment and human resource policies and practices, will not discriminate against any individual because of race, color, religion, creed, national origin or ancestry, age, marital status, sexual orientations, gender identity, gender expression, disability, special disabled veteran and Vietnam-era veteran status, and height or weight, except as allowed by the need for bona fide occupational qualifications. Reasonable accommodation will also be provided to persons with disabilities, to disabled veterans, and to accommodate religious practices.
* In accordance with [SPG 201.46, Personnel Records - Collection, Retention and Release](http://www.spg.umich.edu/policy/201.46), the collection, availability and disclosure of the contents of personnel files is governed by regulations established by the University and applicable laws. The Faculty and Staff Records Office, the Medical Center Staff Records Office and the custodian of personnel files or records in various departments, schools, colleges or other University offices are subject to these regulations.
* Refer to [SPG 604.01, Departmental Record Retention for Business and Financial Records](http://spg.umich.edu/policy/604.01), to determine the proper record retention period relating to the job posting process.
* To ensure the proper internal controls are in place when paying faculty, staff and independent contractors, please refer to [SPG 518.01, Payroll Controls](http://spg.umich.edu/policy/518.01).

Record of Revisions:

|  |  |  |  |
| --- | --- | --- | --- |
| **Date of Issue** | **Description of Change** | **Page(s) Affected** | **Approved By** |
| 10/08/2007 | Original template created | All | [insert name] |
| 11/20/2008 | Updated with SPG revisions and corrected links | All |  |
| 1/4/2012 | 1 minor update – removed SPG 501.4 reference | 2 |  |
| 11/8/2012 | 1 minor update – added new SPG 501.12 link | 2 |  |
| 1/15/15 | Incentive code for retirement contribution, in scope for Shared Services Center vs out of scope | 2,3 |  |
| 1/18/16 | Contact for HR Reports | 3 |  |
| 11/2016 | Updated Link | 2 |  |
| 11/2017 | Updated links and Added links for new Additional Pay information | 2, 3 |  |
| 10/2018 | Added reference to SSC eForm | 1 |  |
| 11/2019 | Updated links and added clarifying notes | 1-3 |  |
| 12/2020 | Added note for approvals during budget freeze, added link to Wolverine Access, removed M-Reports link | 2, 3 |  |
| 12/2021 | Clarifying language, updated link | 1, 2, 3 |  |
| 12/2022 | No change |  |  |

Document Owner: [insert name], [insert title]

Administrative Owner: [insert name], [insert title]