**SECTION**: Human Resources

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

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

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

**NOTE: Changes for FY2025 are identified in red text**

**Additional Pay Process Overview**

The objective of the additional pay process is to ensure the payment request contains the appropriate payment and shortcode.

**Additional 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> |
| Determine and document need for additional pay and maintain proper evidence.  Additional pay is processed using the online Additional Pay Workflow Transaction. [Common types of pay include](https://hr.umich.edu/working-u-m/management-administration/compensation-classification/additional-pay-resources/common-additional-pay-scenarios), but are not limited to:   * Change in Duties * Faculty Honoraria * Performance-Based Recognition * Services Unrelated to Base Appointment * Technology Support Payments * New Hire Payment (Recruitment Incentive / Hiring Bonus) | [insert appropriate person/position] (HR Officer, Business Administrator, Administrative Assistant) | Approval must be received from someone within the unit in which the individual has a primary appointment. This person should be able to determine the appropriateness of payment, including whether or not additional work is outside scope of the regular appointment and if the pay rate is appropriate.  ***NOTE:*** *This includes additional pay processed through batch upload.*  For information on additional pay delivery approaches, visit the [Additional Pay Resources Website](https://hr.umich.edu/working-u-m/management-administration/compensation-classification/additional-pay-resources)  Use the [PeoplePay Decision Tool](https://peoplepay.umich.edu/) for payments for goods, advances, moving or relocation expenses, royalties or awards/prizes/gifts. |
| Ensure proper additional pay code is selected based on the business reason for the payment. | [insert appropriate person/position] (HR Officer, Business Administrator, Administrative Assistant) | Use the [Earnings Code search tool](https://hr.umich.edu/working-u-m/management-administration/compensation-classification/additional-pay-resources/earnings-codes-tool) to identify proper code. |
| 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 additional pay may have on the appointment. [SPG 501.10, Policy on Effort Certification](http://www.spg.umich.edu/policy/501.10)  For detailed information on Effort Reporting, visit the website:  <http://finance.umich.edu/finops/payroll/faculty/effort>  See process documentation for Effort Certification Reporting Process. |
| Create a PAR Additional Pay Transaction  The Additional Pay batch process can be used if 20 or more people will be receiving one-time additional payments and the unit would like to process the transaction all at once. | [insert appropriate person/position] (HR Officer, Business Administrator, Administrative Assistant) | For step-by-step instructions and information on how to use the PAR Additional Pay Transaction go to [My LINC](https://its.umich.edu/enterprise/administrative-systems/training/my-linc-overview), search “Personnel Action Request (PAR) User Resources”. Click Start.  For step-by-step instructions and information on how to use the Additional Pay batch process, type “toolkit” in the Catalog Searchbox and start the item entitled “HR Batch Toolkit - Additional Pay.” |
| Route transaction to appropriate person(s) to review/approve.  ***NOTE:*** *This includes additional pay processed through batch upload.*  ***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. |
| If retroactive salary distribution changes are required, the change must comply with effort reporting and transfer guidelines. | [insert appropriate person/position] (HR Officer, Business Administrator, Administrative Assistant) | [SPG 501.09, Policy on Retroactive Salary Distribution Changes](http://www.spg.umich.edu/policy/501.09)  Procedures on how to process a Retroactive Salary Transfer can be found on Sponsored Programs website at: <http://www.finance.umich.edu/programs/rules/retroactive-salary-transfers> |
| 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://www.spg.umich.edu/policy/201.65-1)  Consult department’s policy [insert Local Policy]. |
| For Units out of scope for SSC, ensure additional pay is processed correctly by comparing the gross pay register with the source documentation (i.e., Workflow Transaction).  For Units in scope for SSC, monitor management reports (Gross Pay Register, Payroll Yearly Trend, eNotification HR DEPT, and HR ORG) as applicable for valid approvers, reasonableness, and appropriateness. Reports can be found by going to [Find an Existing or Standard Report](https://hr.umich.edu/working-u-m/management-administration/hr-data-analytics-services/find-existing-or-standard-report) on the Human Resources website. | [insert appropriate person/position] (HR Officer, Business Administrator, Administrative Assistant) | Payroll Yearly Trend Report can be found under the MGMT REPORTS tab of M-Reports (go to [Wolverine Access](https://wolverineaccess.umich.edu/)/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>  For HR Reports contact 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://www.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://www.spg.umich.edu/policy/518.01).
* In accordance with [SPG 201.23, Appointment of Relatives or Others with Close Personal or External Business Relationships; Procedures to Assure Equal Opportunity and to Avoid the Possibility of Favoritism (Nepotism)](http://www.spg.umich.edu/policy/201.23), the basic criteria for appointment and promotion of all University staff shall be appropriate qualifications and performance. Relationship to another individual employed by the University shall constitute neither an advantage nor a deterrent to appointment by the University, provided the individual meets and fulfills the appropriate University appointment standards.

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 | Updated for FY2012 Certification including references to new workflow functionality | 1-3 |  |
| 10/30/2012 | Updated for FY2013 | 1-3 |  |
| 1/15/15 | Incentive code for retirement savings contribution match, in scope for Shared Services Center vs out of scope | 3,4 |  |
| 1/18/16 | Updated link | 2 |  |
| 11/2016 | Updated Link | 3 |  |
| 11/2017 | Updated language for new Additional Pay procedures and Updated links | 1 - 4 |  |
| 10/2018 | Reviewed for FY19 updates – No changes noted |  |  |
| 11/2019 | Updated links, added clarifying language | 1,3 |  |
| 11/2020 | Added note, added tableau dashboard link and updated path to M-Reports | 3, 4 |  |
| 7/1/2021 | Added note about approvals for batch uploads | 2, 3 |  |
| 12/2021 | Clarifying language | 1 |  |
| 12/2022 | No changes |  |  |
| 12/2023 | Link updated | 4 |  |
| 11/2024 | No changes |  |  |

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

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