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

FINANCE
UNIVERSITY OF MICHIGAN

SECTION: Human Resources

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

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

NOTE: This document has been revised as part of the Annual Internal Controls Update

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.	EBS Director	For information on Unions and Contracts: Union Contracts and Wage Schedules Academic Contracts
If the position is a Regent approved position, refer to the Board of Regents Bylaws and Academic Personnel Regents Communication Manual for process activities.	EBS Director	

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, 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)	Department Hiring Manager (See Appendix A)	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 Use the PeoplePay Decision Tool 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.	Department Hiring Manager (See Appendix A)	Use the Earnings Code search tool to identify proper code.

Determine appropriate ShortCode(s) and earning amount per pay period.	Department Hiring Manager (See Appendix A)	To remain compliant with federal sponsor guidelines, consider impact additional pay may have on the appointment. SPG 501.10, Policy on Effort Certification Effort Reporting, on the payroll website provides detailed information, including process documentation.
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.	Department Hiring Manager (See Appendix A)	For step-by-step instructions and information on how to use the PAR Additional Pay Transaction go to My LINC, 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).*	Department Hiring Manager (See Appendix A)	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.	Department Hiring Manager and Financial Analyst	SPG 501.09, Policy on Retroactive Salary Distribution Changes Retroactive Salary Transfers found on Sponsored Programs website provides transfer guidelines and procedures.

Discuss all actual and potential conflicts of interest or commitment with candidate and any disclosures as necessary.	Department Hiring Manager	SPG 201.65-1, Conflicts of Interest and Conflicts of Commitment Consult department's policy if available.
For Units out of scope for Shared Services Center (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 on the Human Resources website.	Financial Analyst	Payroll Yearly Trend Report can be found under the MGMT REPORTS tab of M-Reports (go to Wolverine Access/M-Reports) A comprehensive list of Reports for Additional Pay Monitoring reports can be found on the Human Resources website. For HR Reports contact uhr-report-issues@umich.edu

Other related information:

Key Contacts:

- Contact your HR Unit Liaison for M-Pathways access questions.
- Contact HR Officer 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, 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, 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, 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, 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.
- 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), 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	Eric Sortor
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		
11/2025	Updated links per Accessibility Quick Tips, added clarifying language	1, 3, 4	

Document Owner: Executive Business Services (EBS) and its supported departments
Administrative Owner: EBS