

Appendix F General Policies on Compensated Outside Services

The following policy on compensated outside services became effective AY 1994-1995.

General Information

Full-time faculty members appointed to The University of Tennessee agree to devote themselves to UT's mission of teaching, research, and public service. Fulfillment of these responsibilities demands a full-time, 100% commitment to normal University duties, including remaining current in the discipline to which the faculty member is appointed. For many faculty members, an important part of keeping up-to-date lies outside the classroom, laboratory, and library: it involves testing one's academic skills and abilities by applying them to real-world problems. The University encourages the faculty to engage in consulting and other related outside services which are associated with an individual faculty member's appointment and which develop his/her professional expertise. By these means, many faculty members improve their disciplinary skills; they serve educational institutions and professional organizations, business, industry, and government; and they bring positive recognition to The University.

The following policy has three governing ideas. One is that the faculty development and University "value" of compensated outside services is partly determined within the culture of the academic discipline; thus, rather than having a centralized and unilateral requirement, this policy largely delegates responsibility to the departmental level. Secondly, the policy calls for regular and open communications as means of promoting accountability. Finally, because other faculty activities (teaching, research, service) often are gauged as a percent-of-effort, this policy does the same for compensated outside service activities.

These policy guidelines primarily concern long-term or continual/recurring short-term arrangements between faculty members and clients. Occasional, short-term non-recurring activities (which are typically not compensated except for modest honoraria), such as participation in symposia, accreditation visits, research paper presentations, exhibitions, or recitals, are not covered by these guidelines, but faculty members must notify and secure approval from their department head in advance of such activities.

The provisions of this policy do not apply to income-generating activities covered by a specific Professional Activity Allowance Agreement (e.g., the practice agreements for faculty members in the UT, Memphis College of Medicine).

In the conduct of compensated outside services, faculty may not make any use of the name of The University of Tennessee or of any of its constituent institutions (e.g., campuses or institutes) for any purpose other than professional identification of the faculty member, nor may they claim any University or institutional responsibility for the conduct or outcome of such activities.

Each UT campus/institute shall have procedures to ensure that professional development is encouraged, within the context of each faculty member's meeting his/her regular University responsibilities in a timely and effective manner. By means of its *Faculty Handbook*, a campus/institute may adopt compensated outside services guidelines which are more restrictive than these University-wide policies (e.g., requiring the dean's approval instead of/in addition to the department head's for some provisions; restricting compensated outside services to activities, locations, or clientele outside of the faculty member's assigned UT responsibilities).

Campus/institute *Faculty Handbook* policies and procedures for resolving disputes (e.g., "appeals," "grievances") should be followed in instances where the faculty member and department head or dean are unable to reach the agreements required in the provisions of this policy.

This policy shall be in effect starting AY 1994-95, and shall be included in campus/institute faculty handbooks.

Provisions

1. As part of the annual goal-setting/performance-review process, each faculty member must describe his/her general plans and general percent of effort to be allocated to anticipated compensated outside service activities for the year ahead. Each faculty member and his/her department head must agree on the faculty development benefits that will be gained by the planned compensated outside services.

During the period prior to the next goal-setting/performance-review, significant changes to this agreed-upon plan must be reported to the faculty member's department head, and the head's concurrence should be sought.

2. As part of the annual goal-setting/performance-review process, each faculty member must report his/her previous year's actual allocation of effort regarding compensated outside services on an effort certification form (which will be developed/amended for this purpose). This information also should be used as part of the subsequent annual goal-setting/performance review process.
3. Nine-month faculty members are expected to perform University-related activities for a nine-month academic year. Thus, nine-month faculty members should limit their total compensated outside services to no more than twenty percent (20%) over their total (100%) University effort during a given academic year, exclusive of non-academic year course schedules (summer session, mini-term, etc.) but including grants of released-time. The department head and dean may restrict compensated outside service effort to less than 20% (e.g., if a faculty member's performance of assigned activities is less-than-satisfactory).
4. Nine-month faculty employed full-time on the University payroll during the summer months (e.g. summer school teaching, work on grants and contracts), must ensure that their annual compensated outside service activity is no more than 20% over their total (100%) University effort per academic year. For part-time summer employment, the limit of compensated outside services will be established by written agreement between the department head and the faculty member.
5. Twelve-month faculty and staff members are expected to perform University-related activities for a twelve-month year. Thus, faculty members on twelve-month appointment are covered by the same University of Tennessee Personnel Policies and Procedures which apply to administrative or professional personnel of The University. However, to provide equitable treatment of nine-month and twelve-month faculty, the latter should normally limit their aggregated compensated outside services to no more than an additional twenty percent (20%) over their total (100%) University effort — including accrued annual leave taken and grants of released-time — during a given calendar year, upon approval of the department head and dean. The department head and dean may restrict a faculty member's compensated outside service effort to less than 20%.
6. Faculty and staff on grants/contracts/awards must adhere to requirements concerning percent time service, expressed or implied. Official regulations governing the administration of Federal grants and contracts allow extra services of faculty and other professional employees to be charged to Federal grants and contracts.

Charges for work performed on sponsored agreements by faculty members during the academic year will be based on the individual faculty member's regular compensation. In no event will charges to sponsored agreements, regardless of the basis of computation, exceed the proportionate share of base salary for that period. Since intra-University consulting during the academic year is assumed to be undertaken as a University obligation requiring no compensation in addition to full-time base salary, the principle also applies to faculty members who function as consultants or otherwise contribute to a sponsored agreement conducted by another faculty member at the same institution.

In unusual cases, where consultation is across departmental lines or involves a separate or remote operation, and the work performed by the consultant is in addition to his/her regular departmental load, any charges for such work representing extra compensation above the base salary are allowable provided that such consulting arrangements are specifically provided for in the agreement or approved in writing by the sponsoring agency.

Faculty members must ensure that proposal documents are consistent with campus/institute research policies.

7. During the academic year, activities reimbursed by UT as extra-service pay may be counted as compensated outside service effort. The total of activities covered both by extra-service pay and

compensated outside services should not exceed 20% more than a faculty member's 100% of effort for the academic year. Compensated outside services performed on behalf of the UT Institute for Public Service need not be included in the above 20%.

8. Use of University facilities, equipment, personnel, or students may not conflict with regular University operations. With the exception of facilities for the use of which there are established procedures and fee schedules, no unauthorized activity is permitted involving a significant direct expense to UT or significant use of University facilities, equipment, or services. Faculty and staff wishing to use such University resources to conduct compensated outside services must have an official written UT agreement specifying the nature of work to be performed, the kind of equipment, supplies, material or services to be used, the extent of the use, and the amount to be paid to the University. The amount may not be less than the University's cost or a fair market value. A written agreement must be approved in advance by the appropriate department head, dean/director, and chief business officer.
9. Noncompliance with this policy on compensated outside services may be considered a negative factor in promotion and tenure decisions, salary determinations, and requests for released-time, and other institutional support (e.g., a faculty member's compensated outside service activities may be limited if his/her performance of assigned activities is less-than-satisfactory). Serious and/or continuing noncompliance also may result in other sanctions (e.g., reduction in allowable percentage of compensated outside services, salary reduction, restitution for cost of equipment, termination for adequate cause).

All parts of this policy on Compensated Outside Services are intended to be consistent with The University's other policies regarding conflict of interest, ownership of commercial ventures, intellectual property, *Faculty Handbook* provisions regarding academic freedom, etc.