

**Issued:** March 25, 2017

**POLICIES**

**Responsible Official:** Vice President for Finance and Administration

**Responsible Office:** Human Resources

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**Policy Statement**

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It is the policy of Austin Peay State University to provide staffing as appropriate for an academic year.

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**Purpose**

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The purpose of this policy is to establish the process regarding modified fiscal year (MODFY) contracts at the University.

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**Definitions**

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**MODFY Employees**

All regular full and part-time non-teaching personnel whose service period is at least nine months, but less than twelve months.

**MODFY Service Period**

The period when a MODFY employee is scheduled for active duty. Generally coincides with the nine-month academic year, with off-duty during the summer months. However, at the discretion of the institutional president or director, the actual

length and work schedule can vary to meet institutional staffing requirements.

**MODFY  
Appointment/Contract**

Agreement used to employ regular non-academic staff who work less than twelve months in a fiscal year.

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**Procedures**

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**Introduction**

- A. The Modified Fiscal Year (MODFY) appointment is an alternative employment base for non-academic personnel at the University.
- B. The following outline of conditions and provisions is designed as a model to uniformly:
  - 1. Enable the University to convert fiscal year staff appointments to MODFY appointments where staff work load requirements are subject to fluctuations in the academic calendar, and therefore, can be adjusted without undue reduction of necessary support to essential services;
  - 2. Ensure protection against loss of benefits for staff affected by change in appointment base; and
  - 3. Accommodate the preference of staff with interests in a MODFY work schedule.
- C. It is intended that all regular non-academic personnel shall be eligible for MODFY appointments. The benefit provisions cited below principally address regular full-time staff; however, the provisions apply to regular part-time staff, consistent with existing policy and regulations.

**General Conditions**

- A. The president has the discretion to implement MODFY appointments for non-academic personnel as deemed feasible and desirable.
- B. Re-designation of filled fiscal year positions may be made at the discretion of the president. Notification of the termination of the existing 12 month contract should be given and the incumbent offered a MODFY contract at a proportionately reduced salary.
- C. Each year, the University shall prepare new MODFY contracts that specify beginning and ending appointment dates and the MODFY service period(s).

- D. In accordance with APSU policy, if a non-academic employee works 37.5 hours per week during the MODFY service period, he or she is defined as full-time. If the employee works less than 37.5 hours per week, he or she is designated as part-time.
- E. Staff on MODFY appointments will be considered to be employed for the entire 12-month year. Regular employee status shall not be changed.
- F. Staff on MODFY appointments will be paid on a regular schedule over a 12-month period in order to maintain eligibility status for full benefits as described below.

## **Benefit Provisions**

- A. Retirement
  - 1. As regular employees, staff on MODFY appointments maintain retirement eligibility. They will receive a full year (12 months) of creditable service for retirement purposes.
- B. Insurance
  - 1. Employees in these positions will be eligible to participate in the State of Tennessee Group Insurance Plan providing they work at least 30 hours per week during the MODFY service period.
  - 2. They will make contributions through payroll deduction procedures throughout the entire year, and coverage will extend throughout the year.
  - 3. It should be noted that the employees' amount of life insurance will be reduced due to decreased annual salary in this appointment.
- C. Annual Leave
  - 1. These employees will be eligible for annual leave, which will be accrued at the appropriate monthly rate for each month actually worked.
  - 2. Clerical and support employees will be given a full year's service credit for purposes of monthly accrual levels.
    - a. For example, an employee with less than five years' creditable service would accrue 7.5 hours annual leave, or the part-time equivalent, for each month worked.
    - b. An employee with six years of creditable service would accrue 11.3 hours annual leave, or the part-time equivalent, for each month worked.

3. Each MODIFY period served should be treated as a full year's service in determining how many annual leave hours per month the employee accrues.
  - a. An employee with four years of service at a 12-month service base plus one MODIFY period would be given five years' creditable service and begin accruing annual leave at the rate of 11.3 hours per month worked, or the part-time equivalent.

D. Sick Leave

1. Employees will accrue 7.5 hours sick leave or the part-time equivalent for each month actually worked.

E. Holidays

1. Employees in these appointments will receive full compensation for all University holidays that occur during the MODIFY service period.

F. Academic-year MODIFY appointments only.

1. The work schedule of employees in these appointments shall coincide with that of 12-month non-academic employees who work during breaks between quarters or semesters.
2. Hours not worked during these periods shall be reported as leave.

G. Civil Leave

1. This leave will be granted when coinciding with regular scheduled work time during the MODIFY period.

H. Military Leave

1. Employees in these appointments will be entitled to leave of absence from their duties for the purpose of military service, duty, or training in the event that this military obligation occurs during their months of regularly scheduled service.
2. They will be compensated in accordance with APSU policy for military leave compensation.

**Other Considerations**

A. Unemployment Compensation

1. No unemployment compensation claims should be honored by the Tennessee Department of Employment Security so long as the University has a reasonable expectation of requiring the MODIFY employee's services in the next MODIFY period.

- B. APSU Grant-in-Aid and Scholarship Programs
  - 1. These employees should be eligible for participation so long as they are on the payroll.
  
- C. Longevity Payments
  - 1. Because they are considered full-year employees and paid over 12 months, these employees are eligible for longevity payments as are faculty on academic year appointments.
  - 2. Payments should be made for a full year's employment.
  - 3. Some payroll calculations will be complicated because these employees' reduced salary is spread over 12 months.
  
- D. All employment actions, whether mid-year hires, terminations, or promotions, will require the calculation and payment of deferred salary. For this reason, overtime payments should be kept to a minimum, if necessary at all, for clerical/support employees in these appointments.
  
- E. Employees in these appointments may wish to seek outside employment during off-duty months. In such cases, APSU policies on dual services will be followed, if applicable.

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**Revision Dates**

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APSU Policy 5:041 – Issued: March 25, 2017

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**Subject Areas:**

Academic	Finance	General	Human Resources	Information Technology	Student Affairs
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**Approved**

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President: signature on file

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