Western Michigan University
FLSA Guidelines for Grant-Funded Positions
Effective Oct. 18, 2016

Purpose: This document describes how Western Michigan University (WMU) will comply with the Fair Labor Standards Act (FLSA), including amendments issued by the Department of Labor which are scheduled to be effective Dec. 1, 2016.¹

Review and approval: Preliminary versions of these guidelines were discussed at provost’s council, which includes the deans and the vice president for research, and were reviewed by the University’s FLSA technical implementation team which included representation from each impacted executive area. The final version was approved by the Office of the Provost and Vice President for Academic Affairs, the Office of the Vice President for Research, Grants and Contracts, and Human Resources.

FLSA Requirements:
1. Exempt (salaried) employees must a) have job duties qualifying them to be exempt and b) receive more than the threshold salary.²
2. Nonexempt (hourly) employee must a) report their hours and b) receive overtime pay if they exceed the maximum number of hours permitted in a work week. The maximum number of hours is currently 40. The University’s regular work week begins on Monday and ends the following Sunday evening.

University Guidelines: WMU will comply with the FLSA as follows.
1. Full-time appointments funded by grants that are compensated above the threshold will continue to be exempt (salaried).
2. Full-time appointments funded by grants that are below the threshold will be raised to at least the threshold using grant funds if there is sufficient funding in the grant to do so. This may require approval by OVPR and the funding agency. These positions would then continue to be exempt (salaried).
3. If there are not sufficient funds in the grant, the position will become nonexempt (hourly), unless the affected department or college chooses to use other funds such as F&A to raise the salary to the threshold.
4. An individual appointed part-time to a grant-funded position whose pay falls below the salary threshold, will be paid as nonexempt (hourly), with the exception noted below.
5. An individual with 1) more than one part-time grant-funded appointment or 2) one part-time grant-funded appointment and one or more part-time appointments from other University funds, may be classified as an exempt (salaried) employee provided that the sum of the pay from all University positions equals or exceeds the threshold and the

¹ Procedures to ensure compliance with the 2016 FLSA amendments must be in place by Dec. 1, 2016.
² Currently the salary threshold under the FLSA is $455 per week ($23,660 per fiscal year). Effective Dec. 1, 2016, the threshold will increase to $913 per week ($47,476 per fiscal year) and will be updated by the Department of Labor every three years, beginning January 1, 2020.
individual’s primary duty for the combination of appointments is exempt work. Note that if one or more of the appointments end, and the sum of pay from all University positions will fall below the per work week threshold, the individual must be converted to nonexempt (hourly) for any part-time appointment that continues. The effective date of this conversion to nonexempt (hourly) shall be the first date of the work week that includes the appointment end date. If additional grants are received, and the total pay received per work week will exceed the threshold, the individual may be converted to exempt (salaried) effective with first day of the first work week in which the employee’s pay will actually exceed the per work week threshold.

6. All grants submitted after October 18, 2016, which include grant-funded positions that 1) qualify to be exempt (salaried) based upon their job duties, and 2) are at 1.0 FTE, must budget these positions at or above the threshold that will be in place effective Dec. 1, 2016. Grant funded positions that 1) qualify to be exempt (salaried) based upon their job duties, but 2) do not reach the salary threshold due to their < 1.0 FTE status will be nonexempt (hourly).