Purpose:
The University’s budget philosophy relies on the Cabinet members and Academic Deans to efficiently allocate and manage resources within their division/school’s control while coordinating with University-wide budget practices. To align with this philosophy, staff salary budgets will be managed by each Cabinet member or Academic Dean. Fringe benefits continue to be budgeted and monitored at a campus level and are excluded from this policy.

Ownership and Responsibility
Responsibility for managing salary budgets will rest with each Cabinet member or Academic Dean. Once the annual salary budget is approved, divisions/schools will be expected to live within the salary budget. A departmental salary budget cannot increase during the year unless funds are reallocated from another part of the division/school. To assist with operationalizing this policy, each division/school will have a unique excess staff salary position number. This excess staff salary position number will record and retain the continuing budget savings of the unrestricted staff salary budgets for the respective division/school.

Planning, Approval and Monitoring
All staff salary increases will require HR review to ensure consistent application of the University’s Compensation Plan. In August of each year, each division/school leader will receive a full accounting of the staff salary budget by position. Quarterly, each division/school leader or academic dean will receive a budget summary from the Office of Planning and Budget with detail of the changes to the division/school-excess staff salary budget. The division/school head is responsible for managing the excess staff salary budgets with the following overarching understanding:

1. Any adjustments in compensation that result from turnover will be funded from or recaptured to the division/school’s excess staff salary budget.
a. should the continuing portion of the excess staff salary budget be insufficient to cover changes resulting from turnover or market adjustments, the division/school head will request additional funding from the Associate Vice President for Financial Planning and Budget

2. The continuing portion of the excess staff salary budget, and/or other division/school-wide position budgets, is the first source for the division/school’s staff salary initiatives.
   a. Should the funding be insufficient to create a new position, the division/school head will seek new funding via the Planning & Priorities (P&P) process.

3. Associate Vice President for Financial Planning and Budget will annually monitor each division/school’s:
   a. amount of institutional funding required for employee turnover (1.a above)
   b. new position numbers (ie additional FTE) funded by the excess staff position number (2. above)

Converting salary budget to operating budget
Conversion of operating or salary budget must be approved by the Associate Vice President for Financial Planning and Budget. If approved, the division/school will be permitted to convert the respective fringe benefits budget to operating budget. Similarly, position budgets created from operating funds must include a budget allocation for the respective fringe benefit expense.

Lapsed Salary
Lapsed salary funds (temporary budget savings) may be used for salary and non-salary expenses and will be considered for operating budget surplus of the division/school. The division/school is expected to cover all current year costs associated with temporary budget savings, such as temporary personnel and unbudgeted overtime, as well as unanticipated costs where temporary savings do not exist. Schools may treat the staff and faculty salary pools as one, for purposes of achieving a balanced budget. The use of the lapsed salary will be subject to the current budget guidelines and must be in accordance with University compensation policies.

Annual Salary Increases
Existing rules remain in effect regarding employee eligibility for merit-based salary increases. The fund 10000 budgets for vacant positions and those occupied after March 1 will receive an automatic budget increase. The budget amount is available to be reallocated within the division/school’s merit process. Alternatively, the division/school head may elect to retain the merit amount to fund future staff salary initiatives. Pooled position budgets and/or non-position budget labor (overtime) are ineligible for merit based budget increases.

Hiring a vacant position
The University’s Compensation Plan will provide guidelines for grading and salary for existing and new positions. The Cabinet member or Academic Dean is responsible for ensuring that positions are fully budgeted.

Creating a new position
The creation of staff positions with existing funds is permitted upon review and approval by HR. Approval will follow the standard Human Resources and Office of Planning and Budget processes for position grading, salary setting, and notifications. The annual budget process will include a review of staff positions that have been created with existing funds the prior year.

Other Salary Changes
Excess staff salary budget can be used to fund reorganizations, interim payments for additional duties and reclassifications when such changes meet the criteria established by Human Resources. The division/school must have sufficient continuing budget to cover the continuing costs of the change or seek such funding through the annual budget process.

Appeal Process
If a division/school does not have sufficient funding to accomplish a reorganization and the reorganization cannot wait for the next annual budget cycle, (e.g. when a reorganization is prompted by a mid-year separation), the division/school leader may appeal to the President for institutional funding. Such appeal requests must come first to the Vice President for Business and Finance, and then to the President. The Vice President appealing for funds will provide the president with a written rationale and recommendation. The Vice President for Business and Finance will provide a separate written assessment as to the potential consequences for the University budget and the University’s compensation structure. The president will make the final decision on appeals. Schools seeking institutional funding in such circumstances will begin the appeal process with the Provost.