

POLICY

Effective Date: 7/13/11

Authority: POL-BFA5100.01

Approved By: Rich Van Den Hul

Developing and Adopting BFA Policies

Cancels:

See Also: PRO-BFA5100.02A Sweeping Permanent Salary Savings

POL-BFA5100.02 Managing Permanent Salary Savings of State Funded Positions

This policy applies to all Business and Financial Affairs departments except Facilities Management which is responsible for managing its resource needs internally.

Definition:

Sweep/Swept – Permanent transfer of funds from a department fund to the division turnover salary savings account.

1. Vacancies Must Be Replaced With Same Classification

When a position becomes vacant, the department may replace the same position pursuant to approval by the Vice President (including Facilities Management). New or modified positions require an official position review by Human Resources prior to receiving approval to recruit by the Vice President.

2. Salary and Benefits Savings Will Be Swept

When a department fills a vacant position with a starting salary lower than the existing position budget, the difference (including associated benefits) will be swept. If a new or modified position is filled with combined funding from multiple positions, any remaining funds from the combined budgets will be swept.

3. Departments Responsible For Funding Reallocations

Departments are responsible for funding salary and benefit increases resulting from reclassifications. Savings resulting following a lowering reclassification will be swept.

Exception: Departments may request funding from the division salary savings account.

4. Use of Savings Will Be Determined by the Vice President

Use of salary savings will be given the following priority:

- a) To fund annual classified step increases and associated benefits, and

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- b) Benefits increases not associated with internal department decisions (i.e. tax increases).

The Vice President may fund department budget needs in certain situations at his/her discretion such as when:

- a) A classified transfer is required by contract to maintain a base salary that is higher than the current position budget, or
- b) A higher starting salary is necessary to use as a recruitment incentive.

5. Turnover Savings To Be Tracked At Division Level

The annual turnover savings account balance will be tracked separately at the division level and carried over from one fiscal year to the next. The division budget officer will monitor the turnover savings account (E98940) to ensure there are sufficient funds in the account to fund step increases. A balance equal to the following fiscal year's estimated step increases is to be maintained.