

OAKLAND UNIVERSITY

ADMINISTRATIVE POLICIES AND PROCEDURES

225 FUNDING POSITIONS - REGULATIONS AND PROCEDURES

SUBJECT: POSITION CONTROL

NUMBER: 225

AUTHORIZING BODY: STRATEGY COUNCIL

RESPONSIBLE OFFICE: OFFICE OF BUDGET AND FINANCIAL PLANNING

DATE ISSUED: APRIL, 2002

LAST UPDATE: FEBRUARY 2016

RATIONALE: To ensure that all hiring and/or commitment of salary and benefits are supported by an appropriate resource allocation before any hiring offers or personnel commitments are made.

POLICY: Oakland University (University) has a Position Control process to ensure that all required funding for new hires, replacements, reclassifications, upgrades, promotions and other budget related personnel matters is available, properly allocated, and attached to the position.

The parameters below are applicable to positions funded by General Funds. Positions funded by the School of Medicine, grants, auxiliary and other Non-General Funds will not be subject to the controls noted below, but such positions must be funded at levels within the constraints of the applicable budgets.

New academic programs are an exception to this policy. Base Budget for these programs are managed through the Senior Vice President for Academic Affairs New Program Pool and allocated annually on a one-time basis according to the program proformas submitted the prior year.

Approvals required for the administration of the Position Control process are outlined in the Personnel Actions table.

SCOPE AND APPLICABILITY: All University divisions and departments funding permanent positions must comply with this policy.

DEFINITIONS:

Fringe Benefits/Fringes: Compensation in addition to direct wages/salary offered to employees based on their employee class.

General Funds: Funds in the University accounting system (beginning with a 1xxxx), that maintain those transactions related to the academic and instructional programs of the University and their administration. All General Funds are monitored by the Budget Office.

Non-General Funds: Include designated funds, auxiliary funds, expendable restricted funds, loan funds, endowment funds, plant funds, retirement and insurance funds, and agency funds. All non-General Funds are monitored by the Accounting Office.

Temporary/One-Time Funding: A non-recurring set of funds allocated to a department to cover a special project or hiring of temporary Staff.

Base/Permanent Funding: A recurring set of funds provided to a department at the beginning of each budget period.

Permanent Reallocation Pool: Individual funds assigned to each Division to account for any base funding differences from permanent hiring or elimination of positions in their respective areas.

Temporary Reallocation Pool: Individual funds assigned to each Division to account for the accumulation and usage of one-time salary savings from positions in their respective areas.

Staff: For the purposes of this document, the term Staff includes employees covered under the following employee classes: Administrative Professional (APs), Individual Contract (IC), Clerical Technical (CT), Police Officers, Police Sergeants, Dispatchers and Service Maintenance Skilled Trades.

PROCEDURES:

Faculty Positions:

Faculty positions are established by approval from the Provost. Identification of either Base Funding or annual One-Time Funding resources (allowable for

positions in a New Academic Program) must accompany the establishment of a new position.

When a faculty position is vacated, the salary budget for that position will be transferred to the Academic Affairs Faculty Reallocation Pool on a one-time basis. These savings can be used by the Provost to meet other academic affairs-related needs. When a replacement is hired for an existing faculty position or a new faculty position is approved, the funds necessary to support that position may be transferred from the Academic Affairs Faculty Reallocation Pool.

Any salary savings from faculty positions are managed by the Senior Vice President for Academic Affairs (or designee). These funds may not be used for or transferred to administrative positions. Conversely, the funds allocated for administrative positions may not be used for or transferred to faculty positions. Exceptions to this restriction may only be made by the President or the President's designee.

Unused budgeted salaries for faculty on unpaid or partially paid sabbatical or phased retirement will move to the Faculty Reallocation Pool. Departments are responsible for covering the cost of part time faculty needed as a temporary replacement for sabbaticals.

Staff Positions:

It is the Office of Budget and Financial Planning's (Budget Office) responsibility to manage the non-faculty budgets for all salary and Fringe Benefit accounts. Departments are responsible for any Base budget adjustments that are not centrally funded.

General Controls

To manage the Position Control Process, the President and each Division Vice President will be provided with two Divisional Reallocation Pool funds, a Temporary Pool and a Permanent Pool.

With the exception of Skilled Trades and Police positions, when a position is vacated temporarily, a one-time transfer of the salary savings will be made to the Division's Temporary Pool. Adequate One-Time Funding will be returned to the position once it is filled to cover current fiscal year salary expenses.

Any Base savings resulting after a position is filled will be transferred to the appropriate Division Vice President's Permanent Reallocation Pool on a permanent basis with the exception of CT positions paid over standard C rate. These funds represent permanent savings that

may be used by the Division to cover future Base compensation related needs.

Staff positions are created with Vice President, Compensation and Budget Office approval per the Personnel Actions Table. A new position number will be created to establish new positions as well as existing positions whose responsibilities are changed entirely.

The University Human Resources Department will not make offers to candidates that exceed the budget for that position. They will return such hiring requests to the requesting department to resolve any funding issues.

The appointment of a new position cannot be entered into the Banner system until the position funding has been identified and verified by the Budget Office.

A department may redefine a vacant position based on changing departmental needs. No approvals for this change will be needed as long as the redefined position has been reviewed by Compensation for banding purposes and will be paid at or below the Base Funding available from the redefined position. Vice President, Compensation and Budget Office approval will be needed if the redefined position is to be paid at a higher rate than the current Base Funding. In addition, the source of funds to pay the increment must be identified by the department. The Budget Office will then verify the incremental funding source.

When there is an AP, CT or IC vacancy, salary savings in the Temporary Pool can be transferred back to departments to make payments for recruitment expenditures, temporary replacement costs and severance obligations, contingent upon approval by the Budget Office. Temporary replacement costs may exceed the hours or the salary rate of the previous incumbent, but the total of all such costs must be funded from the salary savings from the vacancy or other departmental funds. When the vacancy is filled, the funding required to support that position for the balance of the fiscal year will be transferred from the Temporary Division Reallocation Pool to the departmental budget where the position resides. Expenses in excess of the salary savings available are the responsibility of the department.

Funds remaining in the Temporary Reallocation Pool after temporary employee costs, recruitment costs and severance obligations are paid will revert to the University at year end for reallocation to other uses. For that reason, it is important that the department contact the

Budget Office to request approved expenditures be paid from the Temporary Division Reallocation Pool prior to first close at year end.

Funding for severance payouts that follow the guidelines established in the Administrative Professional Manual or union contracts may be covered by salary savings from that position. Any payments in excess of those guidelines, or in excess of the salary savings available, are the responsibility of the department.

When an employee is on paid sick leave, the out of class pay or replacement costs related to the vacancy will be covered from central sources (no salary savings are available) after one week of vacancy.

When an employee is moved to another position, the funding in the original position must stay with that position. It is not moved to the new position. If a transfer of funds to a new position is desired (ie: a reorganization), that transfer must be approved by the Divisional Vice President.

Merit and contractual increases for all active employees are centrally funded following Board of Trustees and Presidential approvals.

When raises are issued, the appropriate raise percentage will be added to Base funds remaining in each Division's Permanent Reallocation Pool.

When raises are issued, the appropriate raise percentage for each vacant position will be added to the budget for that position to ensure that funding for positions remaining vacant for longer periods are appropriately increased.

When a non-contractual vacant position is filled (employee begins employment) after the first business day in any calendar year, the position will not be eligible for a salary increase in the upcoming fiscal year. The Budget Office will therefore not adjust the available funding for the position in the new fiscal year.

Employee Class Specifics:

Police, Dispatch, Skilled Trades: When a Police, Dispatch or Skilled Trades position is vacated during the year, that position's budget will remain with the department to allow for out-of-class pay or overtime as needed to cover the vacancy.

Casual Positions: Casual employees are paid from the wage budget rather than the salary budget. When a casual employee is hired, the

department is expected to have sufficient funds in the wage and Fringe budget to cover the projected cost of the Casual employee for the current fiscal year. If budget funds are not sufficient, the department must expedite a budget transfer to cover the shortage. Budget can be transferred from a department's controllable operating accounts such as Supplies & Services, Equipment, Telephone or Travel.

Clerical Position Funding: As a general rule, CT positions covered by the University's collective bargaining agreement are funded at the current contract standard rate, referred to as C step or C rate, for each respective grade, C1 through C10. CT positions will be funded at a rate no lower than the C rate but no higher than the maximum rate for the salary grade.

Positions are funded based on the incumbent holding the position, as long as that is the only reason for the differential from the standard C rate. Increases granted to an Employee as a result of reclassifications, upgrades, etc. are subject to the rules noted below under Permanent Funding.

Vacant positions: When a vacant position funded at the standard C rate is filled with an existing CT employee that is entitled to be paid above the C rate for the salary grade, additional General Fund funding will be provided up to the level to be paid to the employee.

Conversely, when a vacant position formerly held by a CT employee paid at a rate greater than the C rate, is filled by an employee to be paid at the C rate or lower, the funding differential between the standard C rate and the current excess rate will be moved to the University's central fund.

Grandfathered CT Funding: As a result of past agreements, a number of CT employees may be paid more than the established rate for the C step. Special rules are applicable for these circumstances only.

Permanent Funding for All Staff Positions:

On a permanent basis, if no change in salary results from the replacement/hire, no action is taken regarding the position Base Budget and the annual salary for that position is rolled forward for the next fiscal year in the respective department's compensation budget.

On a permanent basis, if there are salary savings resulting from a replacement/hire, the net savings will be held in the appropriate Reallocation Pool to be used to cover subsequent decisions to increase Base Funding for other positions.

On a permanent basis, if there is a desire to increase Base Funding for a position, Base Funds must be identified prior to posting or upgrading the position. If it is determined that increased funding is needed after the position has been posted, funding must be identified before an employment offer may be made and this must be approved by the Division Vice President, Compensation Office and Budget Office. The department is responsible for identifying funding prior to extending an offer of employment or upgrading a position.

One-Time funding for All Positions:

Positions funded by One-Time Funds will lapse at the end of each fiscal year (or at the depletion of funds, whichever comes first) unless One-Time Funds or Permanent Funds are identified to support that position in the upcoming fiscal year. This identification of funding is the responsibility of the department. Identification of funds to support the position should take place 30-60 days prior to the next fiscal year or depletion of existing funds.

Employees hired with One-Time Funds should be informed at the time of hire that if no additional source of funding is identified to continue funding their position, their employment will be terminated on the last day of the period covered by the funding.

Additional Resources:

Additional resources can be found on the Budget Office Webpage, including the Personnel Actions Table and Position Control Practices.

RELATED POLICIES AND FORMS:

APPENDIX:

Personnel Actions Table

Position Control Practices and Standards Manual