

OAKLAND UNIVERSITY

ADMINISTRATIVE POLICIES AND PROCEDURES

225 FUNDING POSITIONS - REGULATIONS AND PROCEDURES

SUBJECT:	FUNDING POSITIONS - REGULATIONS AND PROCEDURES
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AUTHORIZING BODY:	STRATEGY COUNCIL
RESPONSIBLE OFFICE:	OFFICE OF BUDGET AND FINANCIAL PLANNING
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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.

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.
- **Non-General Funds:** Include Designated Funds, Auxiliary Funds, Expendable Restricted Funds, Loan Funds, Endowment Funds, Plant Funds, Retirement and Insurance Funds, and Agency Funds.

- **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 position vacancies in their respective areas.
- **Staff:** For the purposes of this document, the term Staff includes employees covered under the following employee classes: Administrative Professional, Individual Contract, Clerical Technical, Police Officers, Police Sergeants, Dispatchers and Service Maintenance Skilled Trades.

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 Executive 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 Matrix.

SCOPE AND APPLICABILITY:

All University divisions and departments funding permanent positions must comply with this policy.

PROCEDURES:

Faculty Positions:

Faculty positions are established by approval from the Executive Vice President and 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 Executive 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 Staff 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.

Staff positions residing in the General Fund must have base funding tied to the position's compensation. Any base savings in Salary and Fringe Benefits resulting after a position is filled or modified (hiring difference) will be transferred to the appropriate Division Vice President's Permanent Reallocation Pool. The use of Fringe Benefit funds is restricted to coverage of Fringe Benefits only.

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 compensation expenses.

New Hires

To ensure equality within the hiring process and proper allocation of budget dollars, vacant positions will be posted based upon current hiring practices noted within the current Position Control Practices.

Human Resources (HR) Employment Services, who are solely authorized to make offers of employment, will not make offers to candidates that exceed the approved budget on the requisition without first obtaining approval from both the Budget Office and HR Compensation. Decisions regarding offers will be based upon current practices as established in the Position Control Practices and Salary Guidelines.

New Positions

New Staff positions can be requested with the Division Vice President, Compensation and Budget Office approval per the Personnel Actions Matrix. A new position number will be created once the required approvals are received and base funding is identified by the requesting department.

Position Modifications

Departments may request modifications to Staff positions with proper approvals as noted in the Personnel Actions Matrix and identification of required funding, as noted in the Position Control Practices. Departments need to consult with HR to update position descriptions and ensure proper banding of any proposed position modifications. Proposed changes to two or more positions in an area constitutes a reorganization and required a documented reorganization plan along with proper approval as noted on the Personnel Actions Matrix.

Salary Savings

Salary savings on vacant Administrative Professionals, Individual Contract, or Clerical Technical Positions can be utilized by departments to cover recruitment expenditures, temporary replacement costs and severance obligations, as detailed in the current Position Control Practices. These reimbursements must be directly related to the vacant position and for the time period of the vacancy. All requests for the use of salary savings will need approval by the Budget Office. Funds remaining in the Temporary Reallocation Pool after the above expenses are covered will revert to the University at year end for reallocation to other uses.

Sick Leave

When an employee is on paid sick leave for a period of more than two weeks (10 business days), out of class pay (per Salary Guidelines) or replacement costs related to the temporary vacancy will be covered beginning week two of the absence from central sources. The department is responsible for expense incurred prior to the second week of the temporary vacancy or any amount above the allowed limitations as noted in the current Position Control Practices and Salary Guidelines.

Merit and Contractual Increases

Merit and contractual increases for all active employees are centrally funded following Board of Trustees (BOT) approval and will follow the practices noted in Compensation's Salary Guidelines. If a position is not eligible for a merit increase, or a Contractual increase, the budget increase will not be provided. Increases to Divisional Pools and vacant positions will be funded per current Position Control Practices.

Salary increases that are not part of merit and contractual increases fall under the Position Modifications section noted above.

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 cover any out-of-class pay or overtime necessary 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.

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. See Position Control Practices, for exceptions to grandfathered positions.

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.

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. One-Time funded positions are not to be paid out of the General Fund.

Additional Resources:

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

RELATED POLICIES AND FORMS:**APPENDIX:**