

**Title/Topic:** Salary Savings

**Number:** 34

**Functional Classification:** Institutional Governance & Administration

**Monitoring Unit:**

**Initially Issued:** November 1, 1976

**Last Revised:**

**Last Reviewed:**

## **SALARY SAVINGS**

### **PURPOSE**

To define the University's policy with respect to salary savings.

### **DEFINITIONS**

#### Temporary Salary Savings

Temporary salary savings are those which, during the current fiscal year, result from a temporary vacancy or downgrade of a state machine run budget position. The actual dollar savings will constitute the temporary salary savings.

#### Permanent Salary Savings

Permanent salary savings are those which result from the permanent abolition or downgrade of a position in the state machine-run budget, and which are not encumbered at the time of the personnel action, regardless of the time of the year.

### **GENERAL POLICY**

As part of the budgeting process each fiscal year, the University budgets a deficit by indicating a stipulated amount of salary savings to be recovered during the year. All budget units benefit since the amount overbudgeted is allocated among units according to general University policy. The amount budgeted for salary savings, therefore, must be recovered; it is an important facet of operational fiscal policy.

#### Grants and Contracts

Salary savings of state machine-run budget funds that are released temporarily by grant or contract funds will be shared on a 70%/30% basis, with the Budget Committee retaining direct control of 30% and the department and/or college sharing the remaining 70% in a manner chosen by the college Dean. State funds thus released must be encumbered in the same fiscal year as they are appropriated, and plans for the usage of those funds must be approved by the Budget Committee. In the implementation of this policy, two considerations are important:

1. Where grant or contract funds replace funds supporting instruction, instructional needs must be given first priority in the use of released funds.

2. In the case of positions in the state machine-run budget not fully financed by state funds, this policy is in effect only for that portion of the position funded by state appropriated funds.

### Vacant Positions

Salary savings from positions in the state machine-run budget, whether temporary or permanent, automatically revert to the control of the University Budget Committee. Upon petition by memorandum through proper channels, permission may be granted to a budget unit for the use of such funds. This policy shall prevail in all of the following circumstances:

1. Funds resulting from downgrades.
2. Funds resulting from gaps in appointments.
3. Funds accrued from leaves of absences.
4. Funds derived from half-pay sabbaticals and from educational leaves.
5. Funds resulting from temporary filling of vacancies at lower salary levels.
6. Unused graduate assistant funds.