

## Policy on Salary Savings / Recovery

Policy Number	ACA-030 BUS-018
Effective Date	November 1, 2018
Responsible Office/Person	Academic Affairs: Provost/Exec. Vice Chancellor Admin. & Finance: Vice Chancellor/CFO
Related Policies	
Additional History	
Additional References	

**University of Massachusetts Dartmouth**  
**Division of Academic Affairs**  
**Division of Administration & Finance**  
**Policy on Salary Savings/Recovery**

### Purpose

Salaries and fringe benefits comprise nearly 60% of total operating expenses for the University. To ensure that the University is able to meet its short and long-term goals, it is important spending in these two areas remains within the approved budget. Moreover, a centralized management approach is necessary to align personnel resourcing with institutional needs and priorities. Reassigning personnel resources as units grow and contract is an ongoing strategic resource allocation decision. A pre-determined amount of salary savings from unfilled positions or salary reductions can support a campus salary pool/reserve for one-time strategic investments to enhance educational and research capacity.

The purpose of this policy is to establish a uniform process for managing salary savings/reserves. It establishes a mechanism to identify campus-wide ongoing budget savings.

### Scope

This policy applies to state-/tuition (GOF)-funded permanent positions (faculty, classified and professional staff), including 'recurring' temporary employees, and some 'Trust' fund employees paid from fees or indirect cost recovery, and Auxiliary (Trust Fund) employees in all areas of the University. Exceptions include part-time employees and employees on 'soft' money, e.g. research faculty.

### Definitions

*Salary Savings* may result in a given fiscal year if total salary expenditures are less than the salary budget. This may occur when positions become vacant due to retirement or separation from the university or due to funding changes such as position reclassification, research buyouts or leaves. Salary recovery may also occur if a position replacement is hired at a salary below the incumbent.

### Management

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Any carryforward of the salary savings is placed in a *Salary Reserve* for future use. Fringe benefits are included in salary savings. Salary savings/reserves from vacated academic faculty positions will remain in the Office of the Provost. A separate process and salary pool for replacement or temporary faculty hires will be established in the Division of Academic Affairs.

Salary savings from administrative and all other positions will stay in a separate central Salary Pool.

Distribution and use of salary savings from course buyouts is covered in policy ACA-025.

Salary savings from sabbatical leaves will remain with the Provost.

Salary savings (net) from other leaves of absence will stay in a central Salary Pool.

Salary recovery from salary reductions will stay either in academic affairs or a central Salary Pool.

Where a replacement is hired to fill a continuing position vacancy the step savings will remain with the Provost, CFO or Chancellor depending on the unit where the replacement is being hired.

### Uses

Except for permanent personnel hiring, salary savings may be used for one-time expenditures only that do not result in any continuing financial obligation for the University. Salary savings/reserves may be reallocated to other budget lines as designated by the Provost or Chancellor. However, these funds may not be used to offset overages in general operating expenses subject to Controller review.

Salary savings from faculty positions may be used for a variety of purposes at the discretion of the Provost. Uses may include the following:

- Temporary hires
- Recruitment expenses
- Strategic investments
- Space and renovation
- Research enhancement
- Sabbatical expense
- Faculty startup
- Special opportunity hires

Salary savings from all other positions may be used for a variety of purposes at the discretion of the Provost/CFO/Chancellor. Uses may include the following:

- Temporary hires
- Recruitment expenses
- Strategic investments
- Consultants
- Mandatory increases of budgeted salary lines (e.g. promotions)

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- Reasonable overlapping training period for a new hire
- Replacement staffing to cover an extended FMLA
- Employer paid termination benefits.

### Procedures

When a position becomes vacant, the budgeted salary amount is transferred to a salary pool. Proposed replacement or new positions will be funded from the salary savings/reserve pool managed by an Executive Budget Panel consisting of the Chancellor, Provost and Vice Chancellor for Administration and Finance. All requests for permanent positions will require a formal proposal, justification, and budgetary review.

Requests for temporary help to backfill a need directly related to a vacancy may be submitted by the affected unit for review/approval by the division head. The request is then subject to budgetary review before it is considered by the Executive Budget Panel.

The University Budget Office and Human Resources is developing a Position Management Reporting system to provide timely, itemized data on salary budgets. All position requests will be reviewed by the Vice Chancellor for Administration and Finance, Human Resources, and the Office of Budget and Financial Planning for organizational need and budgetary impact for deliberation by the Executive Budget Panel. Relevant forms/templates will be developed for all procedures described herein.

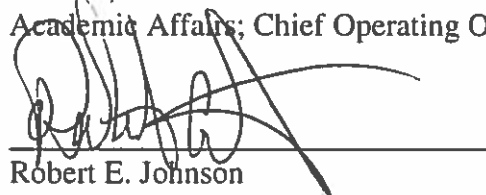
### Policy Changes:

The Division of Academic Affairs and the Division of Administration & Finance will review this policy every five years or sooner.

### Approvals:



Mohammad A. Karim  
Provost; Executive Vice Chancellor for  
Academic Affairs; Chief Operating Officer



Robert E. Johnson  
Chancellor



Michael J. Barone  
Interim Vice Chancellor for Administration &  
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11/15/18

Date

