



CAL MARITIME

ACADEMY POLICY MANUAL

Policy Title:	Compensation Funding Sources
Policy Number:	AF 03-003
Policy Administrator:	Vice President, Administration and Finance
Policy Initiator:	Kurtis D. Lohide, Vice President, Administration and Finance
Authority:	<u>California Education Code</u> (Title 3, Division 8, Part 55, Chapter 6, Article 2, §89722 et seq.), and CSU Office of the Chancellor <u>Executive Order 1000</u> (Delegation of Fiscal Authority and Responsibility) of July 1, 2007.
Effective Date:	May 1, 2013
Revised Date:	
Approved:	Thomas A. Cropper, President 

Purpose:

This policy establishes guidelines for the consistent and unambiguous management of university funds to provide for personnel compensation costs increases.

Scope:

This policy applies to all personnel actions, either permanent or temporary, that require additional funding for salary and benefits, except personnel compensation cost increases for employees in auxiliary and enterprise positions.

Responsibilities:

The Vice President, Administration and Finance, has the overall responsibility for administering this policy. The Associate VP, Financial Services, has the responsibility to provide annual allocation projections and balances for review by the CFO. The Associate VP, Financial Services, also has the responsibility to allocate university funds when they are required to be disbursed through CSU Technical Letters, bargaining unit agreements or as otherwise directed by the CFO. Departmental and divisional AVPs, Chairpersons and Deans have the responsibility to adhere to the guidelines presented in the funding-source matrix in Appendix 1. The responsibility to utilize institutional reserves remains with the President.

Policy:

It is the policy of the university that the funding-source matrix appended to this document shall serve as the basis for determining the source of funds used to support personnel compensation cost increases.

As detailed in the funding source matrix, mandatory personnel compensation cost increases required through bargaining unit contracts and through CSU Technical Letters shall be funded through state appropriated compensation pool funds. All other personnel compensation funding increases, with the exception of approved faculty sabbaticals and early retirement programs, shall be funded by the employee's department or division.

In situations where an unexpected increase in personnel compensation costs places undue hardship on a department or division, the division head may request funds from the institutional reserve in accordance with the procedures established by this policy.

In the event the Compensation Pool is overcommitted in any fiscal year, the overcommitted amount shall be covered by funds drawn from the institutional reserve at a date that is no later than the beginning of the following fiscal year.

Procedures:

The budget office will make distributions from the Compensation Pool when required to do so by CSU Technical Letters.

Departments and divisions will allocate funds internally when personnel compensation cost increases occur that are not funded by the Compensation Pool.

The budget office will track Compensation Pool allocations from the CSU Final Budget memo.

The AVP, Financial Services, will provide monthly reports to the President and CFO. These reports will include details about the current balance, the allocations to, and the distributions from the Compensation Pool.

Distributions that are not supported by CSU Technical Letters must first be approved by the CFO or the president.

If an unexpected increase in personnel compensation costs places undue hardship on a department or division, the division head may initiate a request for support through institutional reserves with the CFO. The CFO will then submit the request to the President for approval.

Any structural deficit that is created by the distribution of mandatory or approved compensation costs will be funded by the institutional reserve.

Supporting Documents:

See funding-source matrix at Appendix 1.

Appendix 1: Funding-Source Matrix

Compensation Adjustment	Mandated by Contract		Source of Funding for Salary & Benefit Increase			Notes
	Yes	No	Dept. or Division	Compensation Pool	CMA Reserve	
1 MPP & Confidential Merit		X		X		
2 MPP & Confidential Equity Adjustment		X		X		2
3 Confidential Employee - In-range Progression		X	X			1
4 MPP - Merit Bonus		X	X			
5 Faculty - GSI	X			X		
6 Faculty - SSI	X			X		
7 Faculty - Promotion	X			X		3
8 Faculty - Equity Adjustment	X			X		3
9 Faculty - Merit Pay	X			X		3
10 Faculty - Sabbatical		X			X	1 & 3
11 Staff - GSI	X			X		
12 Staff - SSI	X			X		
13 Staff - Merit Bonus	X			X		
14 Staff - Equity Adjustment	X			X		
15 Staff - Reclassification		X	X			1 & 2
16 Staff - In-range Progression		X	X			1 & 2
17 Staff - In-Classification Progression		X	X			1 & 2
18 New Permanent Position		X	X			
19 Temporary Position		X	X			1
20 Rehire at increased salary.		X	X			1
21 Leave Payouts due to resignation or retirement		X	X			1
22 Faculty Early Retirement Program (FERP)		X			X	1
23 Severance payments or settlements		X	X			1
24 Grievance Settlements		X	X			1
25 Employee incentives		X	X			1

Notes:

1. Personnel costs borne by the Department/Division may result in a request to the President to utilize reserve funds
2. The funding of many staff in-range programs is mandatory once the employee has been identified as being eligible under a bargaining unit contract
3. Recommendation made by the Faculty Senate, reviewed by the VP-AA, and approved by the President