

PAYROLL: RANGE ADJUSTMENTS

I. INTRODUCTION

This chapter sets forth the general principles related to range adjustments for titles within the Academic Personnel Program and those within the Staff Personnel Program not covered by a collective bargaining agreement. Funding information and general accounting procedures used in connection with range adjustments also are included in this chapter.

The term *range adjustment* is used to describe a change, usually an increase, in the "steps" (or increments) that exist within a salary range for a specific job title. The term range adjustment, however, also can apply to changes in the shift differential rates for a job title.

II. GENERAL INFORMATION

A. PERSONNEL ELIGIBLE FOR RANGE ADJUSTMENTS

Range adjustment increases for titles within the Academic Personnel Program and the Staff Personnel Program are established based on the level of funding provided by the State in response to the University's budget request. Range adjustments for titles covered by collective bargaining agreements (or subject to collective bargaining) are subject to negotiations between the University and the appropriate union. A range adjustment applies to budgeted salaries (positions) and therefore affects the base wages of employees directly.

Employees in the Administrative and Professional Program (A&PS), the Management and Administrative Program (MAP), and the Executive Program do not receive range adjustments. While the salary ranges for A&PS and MAP employee titles are adjusted in response to market conditions or other factors, as appropriate, this adjustment does not result in an *automatic* increase in the employee's base pay (except for employees' salaries that fall below the minimum of the revised salary range). Employees in the A&PS and MAP Programs are compensated through a *Pay for Performance* system that provides for merit increases only.

II. GENERAL INFORMATION (Cont.)

A. TITLES ELIGIBLE FOR RANGE ADJUSTMENTS (Cont.)

Certain FLSA (Fair Labor Standards Act) non-exempt titles in the A&PS Program may, however, receive shift rate range adjustment increases.

Range adjustments may be effective on any date throughout the year.

B. PURPOSE OF RANGE ADJUSTMENTS

Range adjustments are made based on the following criteria:

1. Academic Range Adjustments

Range adjustments for academic employees are intended to keep University salaries competitive with salaries outside the University. Proposals for academic range adjustments are based primarily on a survey of faculty salaries at a group of select universities; this survey is conducted by the Office of Academic Advancement.

2. Staff Personnel Range Adjustments

Adjustments of Staff Personnel salary ranges are authorized on the basis of market justification and to the extent that funds are made available for such purposes. The salary setting guidelines used in the range adjustment process are as follows:

- a) To pay salaries that take into account the prevailing market rates of pay within the appropriate labor markets, thereby enabling the University to successfully recruit, retain, and motivate employees. Prevailing market rates of pay are identified through the use of various salary surveys which are analyzed by the Systemwide Compensation and Data Analysis Unit in the Office of Human Resources.
- b) To provide any differentials that effectively recognize variances among related classes and occupational groups with regard to skills required, difficulty of duties, and levels of responsibility.

C. FUNDING FOR RANGE ADJUSTMENTS

General Funds may only be used to provide range adjustments for positions supported from General Funds of the University.

In general, activities and programs that are not supported from General Funds are required to finance range adjustment costs within their current budgetary provisions, either from increased income or recharges, or by internal adjustments within budgets. This requirement also applies to activities that are partially supported from General Funds. Such activities may not receive more augmentation from General Fund range adjustment funds than the ratio borne by General Fund salary support to the total budget of the activity, as approved in the detailed operating budget.

II. GENERAL ACCOUNTING PROCEDURES

The general accounting procedures detailed below apply to most range adjustments. However, for each adjustment, the Payroll Coordination Office and the Universitywide Budget Office will issue more specific processing instructions, including deadlines for processing range adjustment files and transfers of funds, exceptions to the general procedures, etc. Instructions for July 1 adjustments are normally issued by the Budget Office as part of the instructions for departmental allocations and staffing entries.

1. Entries to Departmental Accounts

The Payroll/Personnel System range and costing programs provide entries to augment departmental budgets, subaccounts 0 (Academic Salaries) and 1 (Staff Salaries), for range adjustments involving a large number of accounts and employees. When the costing program creates budgetary entries, these entries augment departmental accounts by charging a common range adjustment provision account (see step 8 below) for all accounts funded from General Funds. Where the range adjustment involves only a few accounts or employees, campuses can prepare manual entries from cost reports.

2. Special Procedure for Restricted Funds

For accounts funded from restricted funds, costing programs automatically charge subaccount 2 (General

II. GENERAL ACCOUNTING PROCEDURES (Cont.)

2. Special Procedure for Restricted Funds (Cont.)

Assistance) within each account and fund. In some cases, subaccount 2 may not be the correct source of funding. Such entries must therefore be postaudited and adjusted manually, as required.

3. General Assistance Entries

The costing process does not normally provide cost reports or budgetary entries for departmental General Assistance (sub 2) subbudgets. Costs must be determined and entries prepared by the campus budget or accounting offices.

4. Summer Sessions Salaries

Salaries for visiting faculty members hired only to teach Summer Sessions courses are agreed upon in advance and are not normally affected by range adjustments. Salaries for University faculty members are based upon the academic personnel salary rates as of June 30 of the calendar year in which the Summer Sessions begin and are therefore not range adjusted.

5. Federal Contract and Grant Funds

Campuses are responsible for all salary and cost adjustments incurred by Federal contract and grant funds. Therefore, contract and grant proposals must include potential salary range adjustment increases. The Office of Research Administration issues the recommended increase rate that should be applied when preparing a proposal.

6. Honorariums

Honorariums are not affected by general range adjustments. Payments are made "by agreement" and, for nonemployees, are charged to Supplies and Expense budgets. Honorariums to employees must be paid as payroll items and charged to General Assistance subbudgets.

7. Unfilled Positions

Range adjustment funds are provided for unfilled sub 0 and sub 1 positions at the same rate as the rate for filled positions.

8. Transfers of Funds

For range adjustments that affect General Funds, campuses must prepare temporary and permanent budgetary entries to request the transfer of funds from Universitywide provision accounts to local provision accounts. Such entries are made as follows:

Dr. Range Adj Current Year	J-801532-19900-X
Cr. Income Range & Benefit	J-219900-19900
Dr. Campus Range & Benefit	X-219900-19900
Cr. Campus Provisions for Range Adjustments	X-801531-19900-X

Historical note: Original Accounting Manual chapter first published 1/4/71. Analysts--Dwight LaRue and Kim Cranney. Minor revision: 11/20/74, analysts--Norman Koerner and Margo Downen. Latest revision: 6/30/95, analyst -- Abdullahi Abdurahman.