University of Colorado
Denver | Anschutz

Administrative Policy

Policy Title: **Compensation for Officers and University Staff**

Source: Human Resources

Prepared by: Assistant Vice Chancellor for Human Resources

Approved by: Chancellor

Effective Date: November 1, 2006

References: **Regent Laws and Policies**
2-K: Personnel Authority for Employees Exempt From the State Personnel System
11-C: Compensation Principles and Policies

Administrative Policy Statements (APS)
PSC Procedural Statement: Recognition and Training
Performance Ratings for Faculty
Performance Ratings for University Staff
Letters of Offer for University Staff
2k: Delegation of Personnel Authority for Employees Exempt from the State Personnel System
Exemptions from the State Personnel System

Replaces HSC Fiscal Procedures for Officer and Exempt Professional Compensation, Chapter 5, Policy 5, February 7, 2002

Applies:
All campuses

A. Introduction

Under regent policy 2-K the Chancellor (or designee) must approve all delegated personnel matters, including compensation. This policy sets forth the institution's compensation review and approval processes that must take place prior to the Chancellor (or designee's) final approval. This policy applies to officer and university staff positions.

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In order to attract and retain a highly qualified and effective workforce, consistent and equitable compensation strategies must be developed, implemented and evaluated. This University of Colorado policy implements the compensation strategies outlined in regent policy 11-C. Regardless of availability or source of funds, the institution will consistently apply these strategies within the university staff employee group.

Annual salary changes are administered on a systematic basis through the Annual Salary Setting Process (see Section F). Salaries for current employees are set by applying recommended percent increases, based on merit, which are approved by the Chancellor following various levels of administrative approval. New positions and promotions may be handled through this Annual Salary Setting Process or as described below. All salary changes must be communicated to the employee in writing.

Salaries for new hires and promotions that occur outside of the Annual Salary Setting Process must be reviewed and approved by the Human Resources Director before submission to the Chancellor (or designee) for final approval. Salaries for new hires and promotions are provided to the employee in an approved letter of offer. Similarly, salary adjustments for current employees that are recommended outside of the Annual Salary Setting Process (e.g. interim appointments, matching pay) must be reviewed and approved by the Human Resources Director before final approval by the Chancellor (or designee), and provided to the employee in writing. Salary adjustments for current employees should rarely occur outside of the Annual Salary Setting process. Such adjustments (e.g. interim appointment, matching pay[1]) typically occur based on unanticipated events that require immediate attention.

Salary ranges must be established for new and vacant positions based on criteria in Section E. Salary ranges must be approved by the Human Resources Director as a part of the job description approval process. Jobs may not be posted for filling until the salary range has been established and approved. Hiring authorities requesting new hire salaries outside of previously established salary ranges must provide appropriate justification and documentation at the time of the request for new hire salary approval.

Individual annual salaries or changes to salaries may include several types of salary which are described in Section D. Both the amount and type(s) of salary must be submitted for approval.

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[1] Examples of salary adjustments outside of the normal salary setting process are interim appointments and matching pay. Interim appointments occur when an employee assumes additional responsibilities and duties, often at a higher level, for an extended period of time. Matching pay may occur when an employee is retained by matching an external or internal situation. Externally, matching pay may occur when a current employee receives a bone fide outside offer and the university wants to counter the offer in order to keep an exemplary employee. Internally, matching pay may occur when resolving an internal equity or compression issue is essential for retaining an exemplary employee.

All proposed salary changes or new hire salaries regardless of type of salary or approval process must include justification and documentation based on criteria in Section E. The Human Resources Office will maintain appropriate salary justification and approval documentation. Schools/Colleges/Units are responsible for ensuring that salary promises or payments to employees are not made until appropriate approval has been obtained.

D. Types of Salary

Various types of salary are permitted under regent policy 11-C but can be categorized as either base building or non-base building as defined below. At the time of request for salary approval, hiring authorities must identify the type(s) of salary in addition to salary amount requested. Regardless of type(s) of salary requested, appropriate documentation and justification must be submitted based on criteria in Section E. Most university staff positions are ineligible for overtime based on FLSA criteria. The positions that are eligible for overtime are designated as such and may be ineligible for some types of salary.

Base Building

1. Base building is a term used to define a type of salary adjustment, and does not imply that at-will employees are guaranteed a certain level of continuing salary. Base building salary adjustments result from applying a percentage increase to the current year salary to increase the next fiscal year salary. These adjustments are based on merit and documented by the annual performance evaluation process. Ordinarily, base-building salary adjustments are made only as a part of the annual salary setting process.

2. Non-Base Building

   Non-based building salary is a general term referring to salary that is either a one-time payment or a temporary salary increase that is not expected to carry over into the next fiscal year. Non-base building salary can be paid in a number of ways as outlined in regent policy 11-C. University staff may receive non-base building salary adjustments. However, under current regent policy, Officers are *not* eligible for non-base building salary adjustments.

   Non-base building salary adjustments must be based on a formally documented plan that is approved in advance by the employee's supervisor, the relevant Dean or Department Head, Human Resources. All terms and conditions for the non-base building adjustment should be clearly documented in the approved plan. Non-base building salary is typically not more than 10% of the employee’s standard appointment salary.

   Various types of non-base building salary are outlined in regent policy 11-C and include:

   a. Merit incentive pay -- for university staff who have highly focused and measurable responsibilities.

      Schools, colleges, or departments may establish ongoing incentive pay plans for groups of employees. Such plans must receive prior review by the Chancellor, development in consultation with the Human Resources Director, and final approval by the Chancellor prior to implementation.

   b. Recognition Awards – for university staff under an established recognition program.

Under the [PSC Procedural Statement: Recognition and Training](), the Human Resources Director may approve school, college or departmental programs that recognize extraordinary performance by university staff with non-base building cash awards, paid as one-time salary. The Human Resources Director may also approve such programs for non-cash recognition awards within the parameters of State Fiscal Rules.

c. Limited-Term Project Pay Incentives - may be implemented during the fiscal year when it is determined to be necessary for recruitment, hiring, and retention of particular positions.

   This type of salary must be approved in advance by the Human Resources Director and receive final approval from the Chancellor prior to the beginning of the work.

d. Temporary Pay Adjustments – salary paid in addition to the current annual salary for temporary work assignments.

   Temporary pay must be approved in advance by providing appropriate documentation to Human Resources for review. Ordinarily, temporary pay adjustments should not exceed twelve months. (Example: temporary teaching assignments outside normal work hours.)

e. Recruitment Incentives – salary paid as an incentive to accept a position.

   Recruitment Incentives should only be used in circumstances of extreme recruitment difficulties and must be approved by the Human Resources Director. Recruitment Incentives should be limited to 25% of base pay. Recruitment Incentives must be included in the letter of offer which should also include language regarding repayment if the employee does not remain at the University for a specified period of time. These bonuses are typically paid during the first payroll cycle following the employment date, or as a partial payment in the first payroll cycle followed by the final payment after a specified period of time.

E. Salary Setting Criteria

1. Salary Ranges

   The following data may be considered for establishing salary ranges by position:

   a. internal equity with positions at the same level and scope at the University

   b. comparable positions on the other CU campuses

   c. appropriate published salary survey data such as state compensation survey, College and University Professional Association for Human Resources (CUPA-HR) compensation surveys (available by job type and institution type and size); local labor market surveys; occupation or college/school specific surveys with national and peer institution data

   The data for each position will vary based on availability and the mix of duties for positions. The salary range for positions will be documented in the job description. The justification for the salary range will be documented and maintained by the Human Resources Office.

2. Individual Salaries

In addition to the criteria listed above, salaries set for individuals may take into consideration other individual criteria such as:

- level and type of education and training
- relevant job experience
- total compensation history
- relocation from a different labor market
- ability to successfully recruit the best qualified candidates
- demonstrated history of difficulty in recruitment for the position
- unique job requirements or working conditions
- quartile or percentile data within a salary range

Upon request for individual salary approval, the hiring/appointing authority must address those criteria above that are relevant to the request. The Human Resources office will maintain documentation upon final approval.

F. Annual Salary Setting Process

Below is a brief description of the Annual Salary Setting Process. This is general information and should not be solely relied upon during the annual process. The Budget Office in conjunction with the Human Resources Office will provide specific directions each year.

Performed by	Action
President's Office	1. Distribute Guidelines for Annual Merit Adjustments 2. Distribute Performance Ratings 3. Distribute annual Compensation Guidelines for Officer and University Staff
Schools/Colleges/ Units	4. Ensure that officers and University Staff receive an annual performance rating that is submitted to HR
Board of Regents	5. Approve annual Budget Allocation Model and Average Maximum Salary Increase
Budget Office	6. Distribution of Salary Setting Materials to schools/colleges/units which include: a. Campus-wide maximum average salary increase b. Basis for which increases are to be provided, i.e. merit, structure, equity, market, etc. c. Allowable types of salary (e.g., non-base building) d. Format for submitting salary recommendations and supporting documentation e. Timelines for submission of salary data
Schools/Colleges/ Units	7. Prepare and submit Salary Rosters and supporting tables for Officers and University Staff
Budget Office	8. Review Salary Rosters and supporting tables for Officers and University Staff for completeness, accuracy and within salary cap

Performed by	Action
Budget and HR Offices	9. Submit final Salary Rosters and supporting tables to Chancellor for approval
Chancellor	10. Final approval of Salary Setting
Budget Office	11. Notify units of final approval of Salary Setting
University units	13. Provide written notice to employees of new annual salary