

STAFF COMPENSATION POOL

POLICY NUMBER: RESERVED FOR FUTURE USE

POLICY TYPE: ADMINISTRATIVE

RESPONSIBLE OFFICIAL TITLE: CHIEF FINANCIAL OFFICER

RESPONSIBLE OFFICE: BUDGET OFFICE

EFFECTIVE DATE: 1/3/2017

NEXT REVIEW DATE: 7/31/2020

SUPERSEDES POLICY DATED: 7/11/2011

REQUIRES LEGAL/COMPLIANCE REVIEW:

(PER SECTION V. OF THE APPROVED POLICY REQUEST FORM) YES NO

REQUIRES I.T. POLICY COUNCIL REVIEW:

(PER SECTION V. OF THE APPROVED POLICY REQUEST FORM) YES NO

REQUIRES PROFESSIONAL CONCERNS COMMITTEE REVIEW:

(PER SECTION V. OF THE APPROVED POLICY REQUEST FORM) YES NO

REQUIRES HUMAN RESOURCES REVIEW:

(PER SECTION V. OF THE APPROVED POLICY REQUEST FORM) YES NO

REQUIRES BOARD OF REGENTS APPROVAL:

(PER SECTION V. OF THE APPROVED POLICY REQUEST FORM) YES NO

I. POLICY STATEMENT

The purpose of this policy is to establish a framework for the allocation of the Staff Compensation Pool. The Staff Compensation Pool is a sustainable mechanism for providing equitable salaries for all base funded staff positions.

The Staff Compensation Pool policy shall support:

- Competitive starting salaries
- Equitable target market rates
- Position reclassification
- Market-based equity adjustments

By employing a Staff Compensation Pool, hiring managers at NKU will rely on a nationally recognized model to determine a position's fair compensation independent of individual department/unit/cost center funds.

The Staff Compensation Pool will be budgeted annually in an account separate from general operating funds used for base salary compensation.

Allocations from the Staff Compensation Pool must be approved by the Budget Office. Any request made for funding from the Staff Compensation Pool is subject to the availability of funds.

Funds from the Staff Compensation Pool may be used for the following purposes:

Hiring Above the Target Market Rate

- Responsibility for funding the balance of approved starting salaries above the target market rate lies with the department. In cases where departmental funding is not available, the department head should seek funding from the head of the Division.
- Only under rare and exceptional circumstances will the balance of salaries above the target market rate be funded by the Staff Compensation Pool.

Reclassifications

Reclassifications of Currently-Filled Positions

- A recurring salary increase resulting from reclassification of a current position will be funded by the Staff Compensation Pool, subject to the availability of funds.

Reclassifications of Vacant Positions Due to Market Changes

- A recurring salary increase resulting from classification of a vacant position with no changes to the job duties and responsibilities will be funded by the Staff Compensation Pool, subject to the availability of funds.

Reclassifications of Vacant Positions Due to Changes in Job Duties & Responsibilities

- Compensation of reclassified vacant positions with changes to the job duties and responsibilities, where the previous compensation amount was less must be fulfilled through:
 - reallocation of existing funds within the department or division, or
 - special authorization by the President to use another funding source.
- The balance of compensation from reclassified vacant positions where the previous compensation amount was greater, remains with the Division.

Equity Adjustments

- If an equity adjustment falls within the position's current salary range, the equity adjustment will be funded through the Staff Compensation Pool.

II. ENTITIES AFFECTED

This policy applies to all base-funded, regular staff positions, including academic and non-academic administrators. Faculty, including Department Chairs, are excluded from this policy.

III. DEFINITIONS

Base-funded positions: Positions of a long-term nature for which funding has been provided by the University from central funds. Responsibility in the determination of a base-funded status rests with Human Resources through the established guidelines and procedures.

Personnel Action Cut Off Date: Typically March 31 each year. **Contact Human Resources for the latest and most accurate Personnel Action Cut Off Date.**

IV. RESPONSIBILITIES

Human Resources will be responsible for:

- maintaining and implementing the Staff Compensation Pool policy
- controlling and reporting the budget amount and allocation from the Staff Compensation Pool
- requesting additional funding for the Staff Compensation Pool via the established budget request process
- reporting all recommended and approved reclassifications to the Executive Team as soon as is practicable

The Vice President-Administration and Finance may:

- request to adjust the funding allocation for the Staff Compensation pool outside of the annual operating budget process.
- In conjunction with Human Resources, request Presidential review of any large scale, position driven reclassification prior to approval.

The Budget Office will be responsible for:

- In conjunction with Human Resources, tracking and reporting, to the President's Cabinet on a periodic basis (at least quarterly), the balance of the funding pool.
- approving funding from the Staff Compensation Pool for the balance of starting salaries in excess of 95% of the target-market rate for positions.

Individual/Hiring Departments will be responsible for:

- ensuring approved allocations are recorded accurately within the first year of such approved allocations.
- funding the balance of approved reclassifications or adjustments for the remainder of the current fiscal year in which the approved reclassification or adjustment takes effect. *Funding from the Staff Compensation Pool for approved reclassifications or adjustments does not take effect until the start of the fiscal year immediately after the approved reclassification or adjustment.*

V. PROCEDURES & SUPPLEMENTAL NOTES

- Consideration is given to ensure adequate funding for new hires in the remainder of the current fiscal year.
- If funds are not available in the current fiscal year, Human Resources will submit a request through the budget process to fund the specific reclassification(s).
- Equity adjustments and reclassifications approved after the Operating Budget Personnel Action Cut-Off Date will not be effective nor funded from the Staff Compensation Pool until the start of the next fiscal year.

Adjustments to the Staff Compensation Pool

During the annual budget process, the Vice President-Administration & Finance may request a recurring increase to the Staff Compensation Pool.

Final approval of such adjustments rests with the President.

VI. REPORTING REQUIREMENTS

The Budget Office, in conjunction with Human Resources will provide to the Chief Financial Officer, a periodic (at least quarterly) report that includes:

- the balance of the Staff Compensation Pool and
- individual positions for which approved salary increases are funded by the Staff Compensation Pool.

VII. EXCEPTIONS

All references to position budgets throughout this document refer to changes in the recurring budget of the position. No funds will be provided in the current operating budget as a result of these actions. Exceptions will be granted for Divisions demonstrating that salary savings are unavailable to cover funding needed during the fiscal year as a result of approved recurring allocations from the staff compensation pool.

Non-Base-Budgeted Positions

While approval is needed from Human Resources regarding salary adjustments to Non-Base Budgeted Positions (such as those funded by a grant, or through external revenue streams), these adjustments may not be fulfilled through the Staff Compensation Pool.

Any compensation actions regarding these positions must be made prior to the earliest date of either the next fiscal year or grant/contract renewal date.

Vacant Base Budgeted Positions

Salary increases to base budgeted positions that are currently vacant will not be funded through the Staff Compensation Pool.

VIII. COMMUNICATIONS

Staff Congress, Executive Team, Hiring Managers

IX. REFERENCES AND RELATED MATERIALS

REFERENCES & FORMS

Manager's Toolkit: <https://inside.nku.edu/hr/managers-toolkit.html> (see Compensation & Classification)

REVISION HISTORY

REVISION TYPE	MONTH/YEAR APPROVED
Editing & Formatting <ul style="list-style-type: none">In Part IV, changed "Senior Vice President, Administration and Finance" to "Vice President-Administration and Finance"Changed "Executive team" to "President's Cabinet"Updated URLs in Part IX to refer to HR Manager's Toolkit	August 21, 2019 (editorial)
Revision	January 3, 2017
New Policy	July 11, 2011

STAFF COMPENSATION POOL

HUMAN RESOURCES REVIEW

SENIOR DIRECTOR, HUMAN RESOURCES

Signature **SEE DIVISION OF ADMINISTRATION & FINANCE** Date

Printed Name

LEGAL & COMPLIANCE CONCURRENT REVIEW

COMPLIANCE OFFICER

Signature **SEE DIVISION OF ADMINISTRATION & FINANCE** Date

Printed Name

VICE PRESIDENT FOR LEGAL AFFAIRS/GENERAL COUNSEL, OR ASSOCIATE GENERAL COUNSEL

Signature **SEE DIVISION OF ADMINISTRATION & FINANCE** Date

Printed Name

PRE-COMMENT PERIOD EXECUTIVE TEAM REVIEW

SENIOR VICE PRESIDENT, ADMINISTRATION & FINANCE

Signature **SEE DIVISION OF ADMINISTRATION & FINANCE** Date

Printed Name

COMMENT PERIOD

POLICY COORDINATOR

Signature Date

Printed Name

FINAL APPROVAL

1. ACADEMIC & HYBRID POLICIES

PROVOST & EXECUTIVE VICE PRESIDENT FOR ACADEMIC AFFAIRS

Signature

Date

Printed Name

2. ALL POLICIES

SENIOR VICE PRESIDENT, ADMINISTRATION & FINANCE

Signature **SEE DIVISION OF ADMINISTRATION & FINANCE**

Date

Printed Name

PRESIDENTIAL APPROVAL

PRESIDENT

Signature

Date

Printed Name

BOARD OF REGENTS APPROVAL

BOARD OF REGENTS (IF FORWARDED BY PRESIDENT)

- This policy WAS NOT forwarded to the Board of Regents.
- This policy WAS forwarded to the Board of Regents.
 - The Board of Regents approved this policy on ____/____/____.
(Attach a copy of Board of Regents meeting minutes showing approval of policy.)
 - The Board of Regents rejected this policy on ____/____/____.
(Attach a copy of Board of Regents meeting minutes showing rejection of policy.)

POLICY COORDINATOR

Signature

Date

Printed Name

FINAL APPROVAL

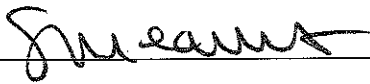
1. ACADEMIC & HYBRID POLICIES

PROVOST & EXECUTIVE VICE PRESIDENT FOR ACADEMIC AFFAIRS	
Signature	Date
Printed Name	

2. ALL POLICIES

SENIOR VICE PRESIDENT, ADMINISTRATION & FINANCE	
Signature SEE DIVISION OF ADMINISTRATION & FINANCE	Date
Printed Name	


PRESIDENTIAL APPROVAL

PRESIDENT	
Signature 	Date 12/20/16
Printed Name G.S. MEARNS	

BOARD OF REGENTS APPROVAL

BOARD OF REGENTS (IF FORWARDED BY PRESIDENT)	
<input checked="" type="checkbox"/> This policy WAS NOT forwarded to the Board of Regents.	
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POLICY COORDINATOR

Signature 	Date 1/3/17
Printed Name JUSTIN M. DUNCAN	