**APR #29: Academic Affairs Lapsed Faculty Salary Protocol**

**Effective Fall, 2013**

**Definition of Lapsed Salary**

Due to planned or unplanned vacancies in faculty positions as well as hiring of fixed-term faculty against tenure-track positions, there is often a difference between the annual budget for a position and the amount to actually be paid to faculty members in that position during the course of the year. The temporary savings that results from this difference is lapsed salary, which will be allocated based on the methodology discussed below.

**Purpose of Policy**

This policy will, first and foremost, allow for the duties assigned to a lapsed faculty position to be covered until that position is no longer lapsed. Any additional funds that are remaining will then be used to support institutional, college and departmental needs, while incentivizing administrators to manage lapsed salaries effectively. Note that this policy only applies to faculty salaries. SPA and EPA Non-Faculty lapsed salaries revert to the Chancellor’s office and are not covered by this policy.

**Priority – Cover Needs**

The primary use of lapsed salary shall be to allow for coverage of the duties assigned to that position until such a time that the position returns to a fully staffed status. This can be accomplished by hiring against the position, or transferring funds to overload, extra compensation or adjunct pooled positions to allow for other faculty or staff to cover the duties. Only after this has been accomplished will any funds from a lapsed position be released for the additional purposes described below.

**Grant Buy-Outs**

Colleges will be allowed to keep lapsed salary resulting from grant funding. Colleges are allowed to keep lapsed funds resulting from grant awards to incentivize grant activity. The lapsed should be reported to the Office of Provost to aid in tracking the disbursement and usage of lapsed salary funds.

**Use of Remainder of Funds**

After the duties of the lapsed position have been covered, any remaining lapsed salary will be used for the following (in order):

1. 50% Chancellor Division Allocation – 50% will be transferred upon identification into a reserve account as identified by the Chancellor. These funds will be held to meet critical institutional needs anticipated (ex. reversion), but will be released to the Provost during the year if a critical need is not identified.
2. 50% Provost Allocation - The remaining 50% will be deposited into the Provost’s reserve account. The reserve will provide units in the division with a larger pool of available funds to cover emergency personnel and other academic resource needs. Colleges must make a formal request for lapse salary to receive an allocation of the available funds. Emergency needs will be decided by the Provost and communicated to the Council of Deans. The Director of Academic Resources and Operations will compile a spreadsheet of estimated lapsed salary by September 1 and February 1. Twice a semester (see dates below) the Director of Academic Resources and Operations will send out a call for proposals to the Council of Deans to submit requests for lapsed salary funds. The Council of Deans will discuss and make recommendations to the Provost. It is noted the Chancellor’s approval is required to spend lapsed salary funds on non-personnel needs.

Proposals Due:

September 15

October 30

February 15

March 30

1. Academic Affair’s lapsed salary can be utilized by the Chancellor, at any time during the fiscal year, to pay for institutional expenses.
2. Lapsed salary from non-faculty positions can be utilized for immediate payouts (compensation for remaining salary and vacation accruals) with permission from the Chancellor. Payouts normally encumber a salary line until the position’s budgeted monthly payment has had adequate time to pay off the payout obligation. The position cannot be used while encumbered with a payout.

The Provost Office can petition the Chancellor for non-faculty lapsed salary to cover payouts for critical hire positions. Requests for non-faculty lapsed salary should be submitted to the Director of Academic Resources and Business Operations.