

Restoring Institutional Management of Benefits Procedures

University Council
October 7, 2010

Objectives of Centralized Benefit Pools

- **Maintain a culture of cost awareness and benefits management**
- **Maintain an overview of all General Operating Fund compensation commitments**
- **Ensure that appropriate benefit costs are funded**

Processes (that are completed)

- **Each executive has been allocated “baseline” salary authority**
 - **FY09 salary budgets plus FY10/FY11 longevity & promotion increases**
- **Executive health insurance FTE levels are as distributed in FY09**
- **Applicable FY11 benefits have been assessed and budgeted in the benefit pools**

Processes (still to be completed)

- **Reports will be developed**
 - **To allow departments to see and understand their benefits costs, even though the expense goes to the centralized pools**
 - **To allow Deans, Directors, and Executives to oversee and manage costs against their allocated “baseline” authority**
 - **To allow the Budget/Fiscal Directors and the Budget Office to monitor variances on a regular basis**
 - **Unusual variances will be investigated and communicated to the appropriate personnel**

Procedures

- **Department completes HR compensation form**
 - **HR forms are currently undergoing revisions to include estimated benefit costs**
- **The impact/increase of benefit costs will be calculated and funded when making an employment hire, compensation change, or funding change.**
- **Completed and approved HR compensation forms will be reviewed by each VP's designee prior to processing by the Budget Office and HR**

Procedures

- **The “baseline” authority will be adjusted for any approved compensation or health insurance FTE increases**
 - **Process for obtaining increased authority still needs to be finalized**
 - **Committee doesn’t have the authority to decide this so the process must be made at the executive level**
 - **This is authority for a department to fill a new line or when they exceed the baseline authority for an existing line**
 - **Either the University reserve or the Hiring Department will be responsible for funding increased benefit costs – which will be determined during approval process**

Discussion