

**UNIVERSITY OF HOUSTON SYSTEM
ADMINISTRATIVE MEMORANDUM**

SECTION: Fiscal Affairs

NUMBER: 03.C.02

AREA: Planning and Budgeting

SUBJECT: Salary and Wage Adjustments

1. PURPOSE

The annual operating budget is the general guide for expenditures by the universities of the University of Houston System. Employee salaries and wages constitute the largest portion of the operating budget. Changes in employee compensation which occur after Board of Regents' adoption of the annual operating budgets impact the current fiscal year as well as the base upon which subsequent fiscal year budgets are calculated. The purpose of this administrative memorandum is to establish guidelines for adjustments to employee salaries and wages.

2. PROCEDURE

- 2.1. Adjustments to salaries and wages of employees of the System and the universities are approved annually with Board of Regents' adoption of the fiscal year operation budgets.
- 2.2. No adjustments to salaries and wages of employees will be approved other than at the time of adoption of the operating budget, with the following exceptions:
 - a. Employees who complete an initial probationary employment period during a fiscal year may be considered for appropriate salary adjustment according to approved personnel and payroll policies and procedures.
 - b. Employees who have a change in job status or assigned duties which warrants adjustment in salary.
 - c. Employees who transfer from one university of the System to another, and who then occupy a different position for which the salary scale provides another level of compensation.
 - d. Employees whose salaries merit equity adjustments, or who have earned merit increases based on performance.

3. REVIEW AND RESPONSIBILITIES

Responsible Party: Senior Associate Vice Chancellor for Finance

Review: Every three years on or before March 1

4. APPROVAL

Approved: Jim McShan
Senior Vice Chancellor for Administration and Finance

Renu Khator
Chancellor

Date: March 23, 2018

REVISION LOG

Revision Number	Approval Date	Description of Changes
1	09/04/1990	Initial edition
2	12/14/1990	Changed area from “Operating Budgets” to “Planning and Budgeting.” Added Section 2.2 d on employees whose salaries merit equity adjustments or earned merit increase based on performance; the salary adjustment is made to retain the employee. Added Section 2.4 on adjustments to salary/wages of exempt employees must be approved by the Board of Regents in the Consent Docket. Added Section 2.5 on adjustments of \$50,000 or more which is 10% or more, or \$5,000 must be approved by the Board of Regents in the Consent Docket. Revised Section 5, Indexing Terms
3	06/09/2009	Revised SAM Template to meet current operating standards. Removed Sections 2.3, 2.4, and 2.5. Changed the responsible party from the Vice Chancellor for Administration and Finance to the Associate Vice Chancellor for Finance. Changed the review period from annually on or before June 1 to every three years, on or before March 1. Added Executive Vice Chancellor for Administration and Finance to the approval cycle in Section 4. Removed Section 5, Indexing Terms

Revision Number	Approval Date	Description of Changes
4	03/23/2018	Changed SAM Template and added Revision Log. Removed “component” throughout documentation. Updated titles as indicated. No additional changes were indicated by the Subject Matter Expert (SME)