

**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 component 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 component 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 component 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: Associate Vice Chancellor for Finance

Review: Every three years, on or before March 1

4. APPROVAL

Approved: Carl P. Carlucci
Executive Vice Chancellor for Administration and Finance

Renu Khator
Chancellor

Date: June 9, 2009