

**COLLEGE OF TROPICAL AGRICULTURE AND HUMAN RESOURCES
POLICIES AND PROCEDURES FOR SALARY SAVINGS
MAY 2005**

Purpose: To allow operating units the flexibility to utilize salary savings from permanent faculty and staff positions for Department/County/Unit (D/C/U) and principal investigator (PI) needs. Salary savings can be generated in two ways. The first occurs when permanent faculty and staff positions become vacant and the second occurs when faculty fund a portion of their salary from extramural contracts and grants.

Policies:

1. Salary savings generated from position vacancies will be returned to the D/C/U as determined by the individual's work location and only in the initial fiscal year that the vacancy occurs. Salary savings generated by charging salaries to extramural contracts and grants will be returned to the D/C/U determined by the individual's work location and will apply for all fiscal years in which savings occur in accordance with the respective D/C/U's policy.
2. Salary charges to extramural contracts and grants are normally indicated in the approved project budget. Written approval of the granting agency is required if salary charges are not indicated in the approved project budget.
3. Salary savings returned to the D/C/U may be comprised of general funds, special funds, or revolving funds.
4. Funds may be utilized for allowable departmental or project expenses only in the fiscal year in which savings are generated.
5. Funds may not be transferred to RCUH for carryover to subsequent years.

Procedures:

1. The dean's office will transfer salary savings for the current fiscal year to the D/C/U due to a vacancy or will transfer salary savings by fiscal years if the principal investigator charges a portion of his/her salary to an extramural contract or grant. Notification to the Dean's Office will be accomplished by the submittal of a Personnel Notification Form (PNF), along with a transmittal memorandum from the D/C/U.
2. D/C/U receives its share of the savings in accordance with respective departmental policy. Funds for D/C/U's will be transferred into their existing operational accounts.
3. Principal investigator receives his/her share of the savings from his/her salary in accordance with respective departmental policy. Funds for PI's will be transferred into a temporary account.
4. Procurement follows normal University of Hawaii procurement policies and procedures.