



**North Carolina
Department of Environment
and Natural Resources**

P O L I C Y

Section: Budget, Planning and Analysis

Number:

Subject: Salary Reserve

Approved By: DENR Secretary

Eff. Date: Oct 1, 1996
Revised: Aug 18, 1997
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.100 PURPOSE

The purpose of this policy is to establish a process for utilizing salary reserve funds.

.200 DEFINITION

Salary Reserve - The annual amount created by a manager when he/she fills a position at a salary lower than that budgeted for the position, or by reducing the budgeted amount of a vacant position.

Salary Reserve Tracking System - An electronic system that maintains a history of all personnel actions that affect salary reserve.

Management Reserve - A thirty percent (30%) set-aside of reserve funds generated on state appropriated positions that is used for critical department personnel actions.

Department Area - One of the three major areas of the department - e.g. - Administration, Environmental Protection, and Natural Resources.

Manager - Division Director, Office Manager or Member of the Executive Staff who has responsibility for administering the salaries of an organization unit.

Organizational Unit - Division, office, or component of the Executive Staff.

.300 POLICY

Effective October 1, 1996 the Department will create and maintain a management reserve that is used to address critical personnel needs. The reserve may be used to fill critical positions, to implement reclassification or SERs, to effect priority in-range adjustment, etc. and for offices/divisions that are unable to generate the needed salary reserve. Final decisions regarding the use of the management reserve will be made by the Deputy Secretary. During the final quarter of the fiscal year in which reserves will be lost if not used, at the discretion of the Deputy Secretary, the balance in the management reserve may be reallocated to organizational units with outstanding salary reserve needs.

Seventy percent (70%) of the salary reserve created on state appropriated positions within an organizational unit may be used at the discretion of the manager of the organization unit for applicable personnel transactions within the organization unit.

All salary reserve created on receipt supported positions within an organizational unit may be used, at the discretion of the manager of the organization unit, for appropriate receipt supported personnel actions. When grant funds are involved, the grantor agency must give approval for the budget revision. The organizational unit will execute the budget revision and send a copy to the Salary Reserve Analyst.

Prior to hiring commitments on any personnel transaction requiring the use of salary reserve, including receipt-supported positions, a salary reserve transfer form (SR-1) must be approved by the Division of Budget, Planning and Analysis.

No manager may execute a personnel transaction that creates negative salary reserve without the prior approval of the Director of Budget, Planning and Analysis.