



# Standard Operating Procedures (SOP) Administration

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	<b>Compensation Procedures</b>
<b>Purpose</b>	<p>To establish compensation plans for all YVEDDI employees.</p> <p>YVEDDI compensation plans are subject to yearly change with the approval and the adoption of the annual budget. There are nine components to the compensation program:</p>
<b>References</b>	<p>YVEDDI Human Resource Policy Manual – pages 31-32</p> <p>Performance Evaluations Procedures</p>
<b>Scope</b>	All employees
<b>Definitions</b>	<p>Cost of Living Adjustment (COLA) – an increase in base pay associated with the job market and economy.</p>
<b>Procedure</b>	<p><b>WAGE COMPARABILITY</b></p> <ul style="list-style-type: none"> <li>▪ At least every five years, or as needed based on specific programs, the Executive Director shall be responsible for securing labor market information regarding employee compensation (wages and benefits). The labor market data necessary for the comparability analysis shall be collected from employers who are similar in size and provision of services; having similar job functions; and who are direct competitors for talent.</li> <li>▪ This comparability information may be from the U. S. Department of Labor, the Bureau of Labor Statistics, the North Carolina Employment Security Commission, generic studies, Program(s) Associations, direct surveys, and other applicable sources.</li> <li>▪ Compensation provided to Employees should not exceed or be less than twenty percent (20%) for average paid to similar Job Position in this job market area.</li> <li>▪ Comparability studies, analysis and resulting recommendations will be reviewed with the Personnel Committee and applicable Program Council(s) for consideration.</li> <li>▪ Periodically the Human Resources Manager should make internal reviews to insure fairness of equal pay for equal work.</li> <li>▪ The comparability study and analysis shall include, but not be limited to, the following factors: working conditions; nature and significance of public contacts; variety and complexity of work; decision making; consequence of error; supervision given; supervision received; as well as knowledge, skills, and abilities.</li> <li>▪ Based upon the wage comparability study the Human Resources Manager and Executive Director shall recommend an annual Salary Schedule for pay</li> </ul>



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rates that reflect grades and levels based on tasks, responsibilities, skills and requirements as well as for trainee and experienced classifications.

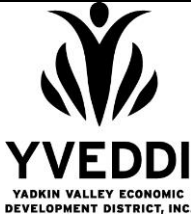
- **Any pay adjustments are conditional upon funds being available for each applicable Program/Project and any grant/contract conditions that apply.**

### **PAY SCHEDULE AND COST OF LIVING ADJUSTMENTS**

- The Board of Directors may approve, with adoption of the fiscal year budget, a cost of living adjustment for each full-time and regular part-time employee.
- If awarded at the time an employee receives their performance evaluation, a cost of living adjustment should be calculated into the employee's pay before any performance increase is calculated.
- Employees at the maximum of their pay grade before their performance increase (less any amount of pay supplement received by the employee) is applied, are not eligible for a cost of living adjustment, unless otherwise authorized by the Executive Director and approved by the Board of Directors.
- Those employees at the maximum of their pay grade, either before or after their performance increase or COLA (cost of living adjustment) are applied, may receive in a lump sum payment any amount over that maximum pay rate, less the amount of any pay supplement received by the employee, if applicable and approved by the Executive Director.

### **UNDERPAYMENTS AND OVERPAYMENTS**

- Upon receipt of each pay statements, employees are required to review them for accuracy and notify the Finance Department of any suspected underpayments or overpayments.
- Likewise, Payroll will immediately notify the employee of any underpayments or overpayments of which it becomes aware.
- An underpayment to an employee will be reimbursed to the employee at the next appropriate pay period retroactively from the date the error occurred.
- The reimbursement will normally be made in one (1) payment and will normally be made no later than the employee's next regular pay date.
- In the event of an overpayment to an employee, the overpayment must first be communicated to the employee with a reasonable opportunity provided to repay the overpayment.
- If there is a failure to repay the overpayment within the timeframe given or the employee fails to select one or a combination of the following options for reimbursement to the Agency, the Agency will select one or a combination of the following options:
  - (1) one lump sum deduction from the employee's gross wages on the next scheduled pay period after the error is discovered; or



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- (2) a payment plan wherein an approved amount is deducted from the employee's gross wages each pay date until the overpayment is reimbursed to the Agency in full (**the repayment period will normally be limited to no longer than the length of time over which the overpayment was made**).
- All overpayment reimbursement plans shall be approved by the Human Resources Manager and Executive Director.
- Should an employee separate themselves from employment with the Agency, either through resignation, termination, retirement, or reduction-in-force, the balance of any previous overpayment due and owing to the Agency will be deducted from the employee's final paycheck and from any amount due to the employee in payment for accrued annual leave.
- Notwithstanding the remedies set forth herein, the Agency reserves the right to pursue appropriate legal action to collect any and all outstanding balances owed to the Agency arising out of overpayments made to an affected employee, whether currently or formerly employed by the Agency.

## TEMPORARY PROMOTIONS

### Background:

- Employees may receive temporary assignments to positions in higher pay grades.
- Examples of the circumstances which would result in an assignment to a higher pay grade are extended sick leaves, positions for which no replacements are hired for extended periods of time, project assignments, and workers' compensation-related absences.
- There are, of course, in addition to shorter periods of temporary assignments, temporary promotions which are considered normal, routine operating procedure.
- For either type of assignment, the employee benefits by gaining valuable training and experience in a higher paid, more responsible position.

### Statement of Policy:

- An employee must temporarily and continuously assume the responsibility for another position which is assigned to a higher pay grade for more than thirty (30) calendar days to be eligible for temporary promotion pay.
- Beginning on the first day of such assignment, if the employee is working in a temporary promotion assignment that is one (1) grade higher than the



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employee's regular grade, the employee shall be paid at the minimum rate assigned to the higher pay grade or five percent (5%) above the employee's regular pay rate, whichever is greater.

- If the employee is working in a temporary promotion assignment that is two (2) or more grades higher than the employee's regular grade, the employee shall be paid at the minimum rate assigned to the higher grade or ten percent (10%) above the employee's regular pay rate, whichever is greater.
- Temporary promotions shall be limited to no more than one (1) continuous six (6) month period unless specifically approved otherwise by the Human Resources Manager.
- An employee who is serving in a temporary promotion assignment shall not be included in either an individual or group reclassification review until such time as the temporary promotion has been terminated.
- Additionally, the promoted rate of pay will be the same as the temporary promotion rate of pay (no "stacking" of temporary and promotional pay) unless otherwise approved by the Human Resources Manager.

## REASSIGNMENTS

### Upward Reassignment:

- Upward reassignment occurs when an employee in a budgeted position moves to a job in a higher pay grade or it is determined that an employee warrants additional compensation. Reasons for upward reassignment include, but are not limited to, promotion, career plan progression, and counter-offer retention.
- **Promotion:**
  - Promotion applies to job reassignment in a higher pay grade.
  - Promotion results in an increase to base pay.
  - For one grade increases, base pay increases five percent (5%) or to the new grade minimum, whichever is greater.
  - For two or more grade increases, base pay increases ten percent (10%) or to the new grade minimum, whichever is greater.
  - Pay exceeding these amounts may be appropriate due to training and/or experience and may be recommended by the Program Director and Human Resource Manger to the Executive Director.
- **Career Plan Progression:**
  - Career plan progression may result when an employee meets criteria for advancement in an established career plan.



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	<ul style="list-style-type: none"> <li>• This type of advancement must meet an organization need.</li> <li>• Progression may be affected by disciplinary actions (i.e. disciplinary probation, demotion, etc.) and/or job performance, and will be handled on a case-by-case basis.</li> <li>• For one grade increases, base pay increases five percent (5%) or to the new grade minimum, whichever is greater.</li> <li>• For two or more grade increases, base pay increases ten percent (10%) or to the new grade minimum, whichever is greater.</li> </ul> <p>▪ <b>Counter-Offer Retention:</b></p> <ul style="list-style-type: none"> <li>• As outside employment opportunities become available for Agency employees and upon recommendation of the respective Program Director, the Agency reserves the right to make counter-offers to employees who have provided written documentation of their new employment opportunity, including their offered rate of pay.</li> <li>• Upon direction of the Program Director and Human Resource Manager, pay shall be determined by the Executive Director on a case-by-case basis; however, no employee's pay shall exceed the maximum of their pay grade.</li> </ul> <p><b>Downward Reassignment:</b></p> <p>▪ A downward reassignment occurs when an employee in a budgeted position moves either voluntarily or involuntarily to a job in a lower pay grade. Reasons for downward reassignment include, but are not limited to, voluntary demotion, involuntary demotion, and reclassification.</p> <p>▪ <b>Voluntary Demotion:</b></p> <ul style="list-style-type: none"> <li>• A voluntary demotion occurs when an employee and management agree to reassign the employee to a position in a lower pay grade.</li> <li>• This type of demotion may be appropriate when the employee meets all requirements for both positions.</li> <li>• For one grade decreases, base pay decreases five percent (5%)</li> <li>• For two or more grade decreases, base pay decreases ten percent (10%)</li> <li>• If the employee's rate of pay is established at the new pay grade's maximum, the employee will not be eligible for pay schedule increases.</li> </ul> <p>▪ <b>Involuntary Demotion:</b></p> <ul style="list-style-type: none"> <li>• An involuntary demotion occurs when an employee no longer possesses all job requirements of the current classification, the employee may be reassigned to another classification.</li> </ul>
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	<ul style="list-style-type: none"> <li>• This type of demotion may be appropriate when an employee is unable to perform the duties and responsibilities of the currently assigned position.</li> <li>• <b>In situations where the involuntary demotions is disciplinary in nature, please note that prior to a final decision being made, a pre-disciplinary conference shall be held.</b></li> <li>• All involuntary demotions necessitate a reduction in pay based on a decrease in duties.</li> <li>• For one grade decreases, base pay decreases five percent (5%)</li> <li>• For two or more grade decreases, base pay decreases ten percent (10%)</li> <li>• If the employee's rate of pay is established at the new pay grade's maximum, the employee will not be eligible for pay schedule increases.</li> </ul> <p>▪ <b>Reclassification:</b></p> <ul style="list-style-type: none"> <li>• A reclassification results when a job study determines that the duties, responsibilities and other characteristics of a position no longer describe the assigned classification.</li> <li>• No change in base pay results from this reclassification unless the employee's base rate of pay exceeds the new pay grade maximum.</li> <li>• In such an instance, the employee's base rate will be reduced to the new grade maximum.</li> <li>• If the employee's rate of pay is established at the new pay grade's maximum, the employee will not be eligible for pay schedule increases.</li> </ul> <p><b>Re-Engineering Reassignment:</b></p> <ul style="list-style-type: none"> <li>▪ Regular employees are sometimes re-engineered from positions due to departmental reorganization. When re-engineering occurs, the Agency will make every effort to give the employee time, not to exceed, six (6) months, to identify and transfer into a vacant position in the Agency for which they are qualified.</li> <li>▪ This commitment is contingent on adequate funding existing in the respective department's budget to incur this continued cost. This determination shall be made by the Program Director, in coordination with the Human Resources Manager and the Executive Director.</li> <li>▪ Prior to the transfer, with approval from the Human Resources Manager, the Program Director shall determine the new pay rate by considering past performance, skill, training and/or years of service with the Agency, as well as internal equity issues with other existing staff.</li> <li>▪ If the employee's base rate exceeds the new pay grade maximum, the incumbent's base rate will be reduced to the new grade maximum.</li> </ul>
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- If the employee's base rate is established at the new grade maximum, the incumbent will not be eligible for pay schedule adjustments.

**Lateral Transfer:**

- A lateral transfer occurs when an employee accepts an offer of employment into a different position, but in the same pay grade as their current position. This type of transfer may occur inside or outside the employee's current division and department.
- No changes in an employee's base pay shall occur as a result of a lateral transfer.

**SUPPLEMENTAL PAY**

- Supplemental pay may be awarded to an employee under certain circumstances such as obtaining certifications or professional memberships relevant to their position, etc.
- All requests for supplemental pay shall be approved by the respective Program Director, Human Resources Manager, and the Executive Director.
- A supplement consists of an increase to base pay. The amount of said increase shall be determined by the Executive Director.
- If, for any reason, the applicable certification is not maintained or participation as a member of the applicable team is not continued, the supplement shall be terminated.
- An employee at the maximum of their pay grade receiving a salary increase based on a performance evaluation or cost of living adjustment shall be allowed to move above the maximum of their respective salary grade as long as any amount above the maximum of the employee's respective salary grade is as a result of the supplemental pay and not some other form of compensation.

**JOB RELATED EDUCATION ATTAINMENT**

- Employees required to participate in training and receive certification in job related skills may receive up to a 5% pay increase.
- Head Start Teachers who attain bachelor's degrees or licensure as required by grantor mandates may be compensated in accordance with prescribed rates as funding allows.
- A copy of the certification or transcript and letter of justification will accompany each recommendation.



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- Employees in a Trainee position because they lack the necessary experience and/or educational requirements shall attain the necessary experience and/or educational requirements in the time frame established by the Agency and shall, upon completion, receive no additional compensation except to be advance to the salary grade of the full classification and have their salary advanced to the minimum of that salary grade.

### **LENGTH OF SERVICE**

- On each five year anniversary, an employee may receive a Length of Service (LOS) increase of 2.5% on the anniversary date of employment at the beginning of the pay period that coincides closest with the anniversary date.

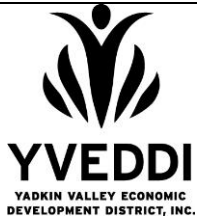
### **SALARY SCHEDULE**

- The Human Resources Manager and Executive Director are responsible to recommend annually a Salary Schedule for pay rates that reflect:
  - Grades/Levels based on tasks, responsibilities, skills, and requirements
  - Trainee and Experienced Classifications
- Pay rates are stated as hourly and annual rates in 2/5% increments (steps).
- YVEDDI will prepare to move into a pay range system as adopted by the Personnel Committee and Board of Directors in February 2016.
- On occasion, grantors may allocate more or less than 2.5% COLA.

### **PAY PERIODS**

- Payroll Pay Periods are every two weeks.
- Employee Record of Time (Time Sheet), Leave, Call-In Notes, Travel, and other required documents and information for each payroll period will be submitted to the Supervisor or Program Director the Wednesday following the end of the pay period.
- **All Employees are required to participate in Direct Deposit of Payroll.**
- **Pay dates are never guaranteed due to the potential for power outages or computer technical issues. Employees should schedule withdrawals from their accounts accordingly.**
- Normally, and if possible, Travel Reimbursement and any due reimbursement will be processed and available for distribution to employees along with payroll 12 days following the end of a pay period.





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