MEMORANDUM

TO: Academic Business Managers

FROM: Kimberley A. Harris

DATE: April 23, 2015

RE: FY 16 Performance Evaluation and Pay Increases

This memo is to provide you with guidelines for the Provost’s Area Management Center (PAMC) regarding the process for determining FY 16 biweekly and monthly staff salaries based on evaluations of their performance as well as the process for implementing faculty and staff salaries through the R/3/SAP Salary Setting Module (transaction ZH230). A timeline of relevant dates and deadlines is provided in Appendix A.

Salaries for monthly and biweekly staff will be determined based on their performance evaluations. Based on the overall performance rating of each employee, you will have the flexibility to provide salary increases within an overall average pool of 2.5%. To assist you in this process, “Guidelines for setting salaries in PAMC based on overall performance rating” are provided in Appendix B, following this memo. The guidelines include a matrix of appropriate merit increases for each performance level. As in the past, salaries for faculty were set during the budget process.

The SAP Salary Setting Module will be used to enter all salaries (faculty as well as biweekly and monthly staff) and will be available for use Monday, April 27th through Tuesday, May 26th. The SAP Salary Setting Module will also be used to enter performance ratings for biweekly and monthly staff. Performance ratings are not necessary for faculty or other academic staff in job family 27.

For faculty, you may begin entering or uploading rates/salaries from PBF as approved during the budget process. For biweekly and monthly staff, once rates or salaries have been determined based on their overall performance rating, you may finalize them in the Salary Setting Module as well. To assist you, “Guidelines for entering salaries in the Salary Setting Module” are provided in Appendix C, following this memo. This provides specific guidelines for each category of faculty or staff.

You will be notified in mid-May when the FY 15-16 budget has been approved by the Board of Trustees. You should not communicate new salaries to faculty until that time. For staff employees, you should not communicate new salaries until an analysis of overall performance ratings and proposed salary increases has been completed in mid-June. In both cases, you will be notified when it is appropriate to do so.

No formal salary setting training will be provided this year. However, instructional materials are available on http://finance.duke.edu/systems/training/steps.php#zh230.

Key points for FY 16 include:
- Salary setting is open from April 27th through May 26th.
- Salaries of $250,000 and greater should be submitted by Friday, May 8th to ensure that the Provost and the President have an opportunity to review before presenting to the Executive Committee of the Board of Trustees at the June 12th meeting. (See page 6 for details.)
- Pay ranges will adjust by 2.0% effective July 1, 2015. These new pay ranges have been loaded into the Salary Setting Module. All FY 16 rates/salaries should be at or above the existing pay range minimums.
- Duke University will increase the current minimum wage for all regular employees to $12.00 per hour effective July 1, 2015. You will be notified if you have affected employees.
- Staff increases should be based on ratings distribution and the budgeted pool of 2.5% using the following matrix guidelines:

<table>
<thead>
<tr>
<th>For performance contributions assessed as:</th>
<th>Needs improvement</th>
<th>Successful</th>
<th>Exceptional</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary increase recommendation</td>
<td>0 - 1.0%</td>
<td>1.0 – 2.5%</td>
<td>2.5 – 5.0%</td>
</tr>
</tbody>
</table>

Note: Staff employed after December 31st and prior to April 1st will be eligible for one half of the full increase, based on the merit increase guidelines above. Employees hired April – June are not eligible for an increase.

- Annual salaries for faculty and monthly staff should be rounded to the nearest $50.
- Salaries for individuals whose salary is set by the Provost (e.g., the Dean or Director) will be entered in the SAP salary setting module by the Provost’s Office staff. You may enter the current salary in the new salary column when you move it to level 3.
- You will be notified in May when you may communicate new salaries/rates to faculty and in June when you may communicate new salaries to staff.
- Once an accurate July 1 salary is entered into the SAP Salary Setting module, it is not necessary to process an iForm. Do NOT process an iForm for a July 1 effective date salary change prior to Saturday, June 27th or the rate will be overridden.
- Should you opt to hold employees’ rates/salaries to the pay range maximum, lump sum payments may be recorded in Salary Setting in lieu of the Excel spreadsheet submitted in past years. See page 9 for additional details.
- Review instructions for appropriate actions and deadlines for various employee categories.

If you have any questions or concerns, please do not hesitate to call.

Appendix A. 2015-2016 HR/Payroll Dates
Appendix B. Guidelines for setting salaries in PAMC based on overall performance rating
Appendix C. Guidelines for entering salaries in the Salary Setting Module

jc: James S. Roberts
Amy B. Oates
Gwendolyn Purnell
# Appendix A. 2015-2016 HR/Payroll Dates

**Provost’s Area Management Center**

<table>
<thead>
<tr>
<th>Date</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Friday, May 8</td>
<td>All salaries for faculty and staff of <strong>$250,000 or greater</strong> submitted by spreadsheet or entered into Salary Setting Module. Note: Changes to these salaries may not be made after that date without Provost’s approval.</td>
</tr>
<tr>
<td>Tuesday, May 26</td>
<td>SAP Salary Setting transactions due in <strong>Provost’s Office (i.e., approved to level 3)</strong> for all Personnel Subareas (all faculty, postdocs, and monthly and biweekly staff)</td>
</tr>
<tr>
<td>Monday, June 22</td>
<td>Adjustments to SAP Salary Setting transactions due in <strong>Provost’s Office</strong> for all applicable new hires or transfers. Send e-mail with designated information. (See page 9.)</td>
</tr>
<tr>
<td>Saturday, June 27 through Thursday, July 2</td>
<td>Timeframe for submission of iForms initiating salary actions effective 7/1/15 to override biweekly salaries submitted in salary setting.</td>
</tr>
<tr>
<td>Saturday, June 27 through Wednesday, July 8</td>
<td>Timeframe for submission of iForms initiating salary actions effective 7/1/15 to override monthly salaries submitted in salary setting.</td>
</tr>
<tr>
<td>Wednesday, July 1</td>
<td>Effective date for faculty, monthly and biweekly staff increases</td>
</tr>
</tbody>
</table>
| Thursday, July 2            | Deadline for submission of iForms initiating cost distribution changes effective 7/1/15 for biweekly payroll  
Deadline for submission of iForms to adjust secondary rates and biweekly student rates. |
| Wednesday, July 8           | Deadline for submission of iForms initiating cost distribution changes effective 7/1/15 for monthly payroll |
| Friday, July 24             | Pay day for biweekly employees for first full pay period with July 1, 2015, rate.  
Pay day for July monthly payroll |
Appendix B. Guidelines for setting staff salaries in PAMC based on overall performance rating

NOTE: A list of the staff to be evaluated may be created through the Salary Setting Module by going to the reports menu and selecting “Create Salary List Report”. The following categories of employees may be excluded from this process: faculty (job family 40), other academic staff (e.g., postdocs, research scientists and other classifications in job family 27), students (job code 0699) and bargaining unit (job families 19 and 21), retirees (PSA 0050) and temporary or seasonal employees.

1. Managers evaluate employees based on goals set last spring/summer. Evaluation should result in one of the overall performance ratings listed below:

   **Exceptional**
   - Individuals who significantly and consistently exceed expectations and role requirements
   - Exceeds goals set for the year
   - Demonstrates exceptional depth and breadth of role knowledge, highly recognized by others within the University community.
   - Demonstrates role model behavior for other supervisors/staff members to emulate.

   **Successful**
   - Individuals who regularly meet and sometimes exceed expectations and role requirements.
   - Meets goals set for the year
   - Possesses full depth and breadth of role knowledge
   - Perceived by peers, managers, students and other customers as collaborative, skilled and reliable.
   - Consistently interacts effectively with peers and/or management.

   **Needs Improvement**
   - Individuals who are new in the learning curve and are still learning key job responsibilities
   - Inconsistently demonstrates the required role knowledge and does not fully perform all requirements and duties
   - Work is regularly incomplete and/or does not meet the minimal standards for quantity or quality; often misses deadlines.
   - Takes little to no initiative, even with prompting
   - Requires more than the expected level of supervision due to lower quality work or level of learning required to complete role successfully
   - Inconsistent interactions with peer and/or management

   **Ineligible**
   - For new staff who have not yet completed the new hire orientation period
   - For temporary or seasonal employees who are ineligible for an increase

2. Enter ratings into the R3 Salary Setting Module in the “Performance” field. Ratings should be entered as follows:
   - Exceptional = 3
   - Successful = 2
   - Needs Improvement = 1
   - Not eligible = 0
3. Review ratings for appropriateness and for overall distribution. While there is no specific distribution of ratings required, it is anticipated that no more than 30% will be evaluated as “Exceptional” throughout PAMC. It is understood that there may be some variation from this in smaller units or in large units with a number of smaller subunits.

4. Based on ratings distribution and budgeted pool, determine appropriate individual salary increases using the following matrix guidelines:

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</tr>
</tbody>
</table>

Note: Staff employed after December 31st and prior to April 1st will be eligible for one half of the full increase, based on the merit increase guidelines above. Employees hired April – June are not eligible for an increase.

Factors which hiring managers and supervisors should consider in determining salary increase recommendations within identified ranges include:

- **Sustained Performance:** Performance levels consistently sustained throughout the entire evaluation period would be eligible for a higher increase than more episodic performance.

- **Skill and Competency Mastery:** Those with full/complete skill and competency mastery would be eligible for a larger increase than those at an earlier point of mastery.

- **Other Objective Departmental Criteria:** To the extent that objective performance criteria have been established as a priority (examples: professional development training, improved attendance, customer service, etc.) pay increases throughout the range could be used to distinguish contributions.

5. Enter FY 16 salaries into the R3 Salary Setting Module (ZH230). See Appendix C. “Guidelines for entering salaries in the R3 Salary Setting Module (ZH230)”

6. For individual salary increases that are inconsistent with the ratings matrix above, document the reason in the “Text” field. For example, “salary increase includes an additional 5% for promotion from level 7 to level 8 effective July 1.”

7. Submit to the Provost’s Office by approving R3 Salary Setting Module to level 3 by Tuesday, May 26, 2015.

8. In mid-June, you will be notified when salaries have been approved or if there is a need to make an adjustment. You should not communicate salary increases to staff prior to this notification. In general, provided all individual salaries are consistent with the matrix above and overall salary increases are within the 2.5% pool, individual salaries will be approved. If an individual salary is inconsistent with the matrix above or if the overall salary increases are not within the 2.5% salary pool, we will contact you with any questions or directions for changes.
Appendix C. Guidelines for entering salaries in the R3 Salary Setting Module (ZH230)

General information
For FY 15-16, salaries for faculty and monthly and biweekly staff will be entered into the payroll system using the Salary Setting Module (transaction ZH230) in R/3 SAP. You have the option of entering via a single transaction for all Personnel Subareas (employee types) and Organization Units/BFR’s for which you have access or creating multiple transactions based on a combination of Personnel Subarea(s) and Organization Units/BFR(s). For example, you may choose 3 separate transactions: one for all faculty, one for exempt staff and one for nonexempt staff. Instructional materials for the module are available on http://finance.duke.edu/systems/training/steps.php#zh230.

Pay ranges will adjust by 2.0% effective July 1, 2015. These new pay ranges have been loaded into the Salary Setting Module. All FY 16 rates/salaries should be at or above the existing pay range minimums.

Annual salaries for monthly staff should be rounded to the nearest $50. Salaries for faculty should have been rounded during the budget process.

For units who have an individual whose salary is set by the Provost (e.g., the Dean or Director) you may enter the current salary in the new salary column when you move it to the next level. Once the Provost has set the salary, it will be entered in the SAP salary setting module in the new salary column by the Provost’s Office staff. When this happens, you will be notified by e-mail that the salary has been entered and may be viewed in SAP. Please verify that the salary has been entered.

Only hourly rates or monthly salaries are loaded from the SAP Salary Setting Module to Payroll. Other changes (e.g., classification changes, work schedules, cost centers, etc.) should be processed via an iForm transaction.

Once an accurate July 1 salary is entered into the SAP Salary Setting Module, it is not necessary to process an iForm. However, if a faculty/staff employee is NOT listed in your SAP Salary Setting Module, an iForm will be necessary to initiate an increase. IMPORTANT NOTE: between today and June 26, 2015, if you initiate an iForm to process a salary change effective July 1, 2015, for an individual who IS listed in the Salary Setting module, the salary information on the iForm will be overridden by the salary entered into the Salary Setting module. If salary data could not be appropriately entered in Salary Setting by the deadlines listed in the following, do not initiate an iForm changing salary effective July 1st until June 27th. See additional information below.

Cost distribution changes effective July 1st, may be processed in iForms at any time starting now and continuing through July 2, 2015, for employees on the biweekly payroll and through July 8, 2015, for employees on the monthly payroll.

The following provides additional information for specific job categories:

Faculty and staff with salaries of $250,000 or greater:
Salaries of $250,000 and over are presented to the Executive Committee of the Board of Trustees at the June 12th meeting. To ensure that the Provost and the President have an opportunity to review these salaries before submitting to the Executive Committee, all salaries of $250,000 and greater must be provided by Friday, May 8th. This may be done in one of two ways. You may provide an Excel spreadsheet with the faculty’s name, current salary, new salary and percent increase OR the new salaries may be entered into the SAP Salary Setting module by this date. If increase is greater than 5%, please note the reason (e.g., promotion, merit, retention). (Note: these salaries only need to be entered into SAP so they may be accessed by Provost’s Office staff. They do not need to be moved to the next approval level.) After this date, in exceptional circumstances, changes to these
Salaries for extraordinary reasons will be allowed by written request to the Provost by Tuesday, May 19th.

**Faculty:**

FY 15-16 base salaries for faculty should be entered via the SAP Salary Setting module, ZH230 based on the salary determined during the budget process. Occasionally, it is necessary to make a change to the salary that was submitted during the budget process. However, if the change involves a rate that is below a 1% increase or above a 5% increase, please submit written documentation on this rate similar to what would have been provided during the budget process. Any changes made to rates/salaries at this time will not affect the FY 16 submitted budget and will create budget variances.

Supplements to base salary (e.g., additional compensation for administrative duties) should be processed via the Supplemental Payment Form. This form can accommodate a single lump sum supplement or a standard recurring payment throughout the fiscal year as appropriate to the circumstances.

For faculty, be sure the new rate column reflects a monthly rate of pay as this is the column that will be loaded to Payroll from the Salary Setting module. Faculty who are on sabbatical or other paid leaves will be included in the SAP Salary Setting module, and their FY 15 rates may be adjusted as appropriate.

FY 16 salaries for all faculty personnel subareas should be entered and approved to level 3 by Tuesday, May 26th.

Faculty who are in SAP currently at a zero rate of pay will not show up in this module. An iForm is required to change their salary to an amount other than zero and should be submitted no earlier than Saturday, June 27th and no later than Wednesday, July 8th. **NOTE: Do not process an iForm for a July 1 effective date prior to Saturday, June 27th or the rate will be overridden.**

**Postdoctoral Associates and others in Job Family 27, Research and Scholarship:**

Effective July 1, 2015, the minimum salary for postdoctoral appointees will increase to $42,840. This minimum is based on the NIH NRSA postdoctoral level for zero years of experience. Postdoctoral Associates currently below that amount must be brought to the new minimum effective July 1, 2015; however, please bear in mind that post-docs who have more experience should generally be paid higher than any new post-doc hired July 1, 2015. Therefore, July 1, 2015, salary adjustments for existing post-docs with more experience should be higher than the $42,840 minimum. In addition, the post-doc policy includes an expectation of annual performance reviews. See the website for the Office of Postdoctoral Services for the policy and an evaluation form for postdoctoral appointees ([https://postdoc.duke.edu/policies-and-forms](https://postdoc.duke.edu/policies-and-forms)).

In general, the salary guidelines for postdoctoral associates and other classifications in Job Family 27 (e.g., Research Scientist), follow the instructions outlined for exempt or monthly-paid employees below. However, if provided for in the grant, post-docs may receive an increase in base pay by using the NIH scale based on experience. The merit increase would be considered within that adjustment. No further increase would be considered, e.g., additional merit increase. All deviations from the guidelines must receive prior approval with detailed justification. The Provost’s Office will consider “special circumstances” for specific equity reasons. FY 16 salaries for all research associates/postdoctoral associates should be entered and approved to level 3 by May 26th.

Employees who are in SAP currently at a zero rate of pay will not show up in this module. An iForm is required to change their salary to an amount other than zero and should be submitted no
earlier than Saturday, June 27th and no later than Wednesday, July 8th. **NOTE: Do not process an iForm for a July 1 effective date prior to Saturday, June 27th or the rate will be overridden.**

**Exempt or monthly-paid staff**

FY 15-16 base salaries for monthly-paid staff should be entered via the SAP Salary Setting module, ZH230, following the performance matrix guidelines. Supplements to base salary (e.g., compensation for temporary additional duties) should be processed via the Supplemental Payment transaction in iForms. This transaction can accommodate a single lump sum supplement or a standard recurring payment throughout the fiscal year as appropriate to the circumstances.

For monthly-paid employees, be sure the new rate column reflects a monthly rate of pay as this is the column that will be loaded to Payroll from the salary setting module. Employees who are on paid leaves of absence will be included in the SAP Salary Setting module, and their FY 16 rates may be adjusted as appropriate. FY 16 salaries for all exempt employees should be entered and approved to level 3 by Tuesday, May 26th.

Employees who are in SAP currently at a zero rate of pay will not show up in this module. An iForm is required to change their salary to an amount other than zero and should be submitted no earlier than Saturday, June 27th and no later than Wednesday, July 8th. **NOTE: Do not process an iForm for a July 1 effective date prior to Saturday, June 27th or the rate will be overridden.**

**Nonexempt or biweekly-paid staff, non-bargaining unit**

FY 15-16 base salaries for biweekly-paid staff should be entered via the SAP Salary Setting module, ZH230, following the performance matrix guidelines. For biweekly-paid employees, be sure the new rate column reflects an hourly rate of pay as this is the column that will be loaded to Payroll from the salary setting module. Employees who are on paid leaves of absence will be reflected in the SAP Salary Setting module, and their FY 16 rates may be adjusted as appropriate. FY 16 salaries for all nonexempt employees should be entered and approved to level 3 by Tuesday, May 26th.

Employees who are in SAP currently at a zero rate of pay will not show up in this module. An iForm is required to change their salary to an amount other than zero and should be submitted no earlier than Saturday, June 27th and no later than Thursday, July 2nd. **NOTE: Do not process an iForm for a July 1 effective date prior to Saturday, June 27th or the rate will be overridden.**

**Nonexempt or biweekly-paid staff, bargaining unit (Local 77)**

FY 15-16 rates for Local 77 employees will be programmed centrally according to the terms of the negotiated contract. Once programmed, these rates may be viewed through the salary setting module although they may not be edited. If there is a need for adjustment or to correct errors to FY 16 rates of pay, contact Labor Relations for instructions.

**Nonexempt or biweekly-paid staff, bargaining unit (Local 465)**

FY 15-16 rates for Local 465 employees are effective May 25, 2015, and will not be available in the salary setting module. Specific information and instructions will be provided from Human Resources to departments with employees in Local 465. Once programmed and in effect, these rates may be viewed through the salary setting module although they may not be edited.

**Students:**

FY 15-16 rates of pay for students should be processed via iForm, if applicable. For additional guidance, refer to the January 16, 2015, memo to Deans, Directors and Program Heads on “FY 2015/16 Rate Ranges for Student Employees.” An iForm should be submitted by Thursday, July 2nd.
Secondary employees:
FY 15-16 rates of pay for secondary employees should be processed via iForms, if applicable. If you have questions in determining secondary rates to ensure compliance with the Fair Labor Standards Act, contact Rewards and Recognition for assistance. An iForm should be submitted by Thursday, July 2nd.

Employees at zero rate of pay:
FY 15-16 salaries/rates of pay for faculty and staff employees who are in SAP currently at a zero rate of pay should be processed via an iForm. These individuals will not show up in the SAP Salary Setting module. See categories above as applicable for appropriate deadlines.

Employees at/above maximum:
Should your school or unit choose to hold salaries to the pay range maximum, you may convert any additional merit increase to a lump sum payment. The merit payment should first be applied to base salary up to the maximum. Any remaining merit may be applied to a one-time lump sum payment. To do so, enter the total annual payment above the maximum in the column titled “Lump Sum”. Note: this field may be left blank if a lump sum is not appropriate (i.e., it is not necessary to key in 0.0 into the field.) The lump sum amount will be paid to the employee in the July 24th pay check.

Faculty and Staff on Unpaid Leave of Absence:
Employees on unpaid leave of absence will not be included in the SAP Salary Setting module. FY 15-16 salaries/rates of pay for these employees who are on unpaid leave during the salary setting process should be processed when they return from leave according to the applicable deadlines.

Employees Hired or Rates Changed after Rates Have Been Approved to Level 3:
Please monitor Salary Setting after the deadline of May 26th. In a few instances, you may have employee changes after this date (e.g., new hires and/or employees who transfer to your school/unit). As a result, you may need to make an adjustment to the FY 16 salary. In these cases, please send an e-mail to me (harri098@mc.duke.edu) by Monday, June 22nd indicating the employee’s name, Duke Unique ID number, classification, current (FY 15) rate, and new or revised FY 16 rate.

You will be notified by e-mail that the change has been made, or if the change could not be made, that you will need to process an iForm. If the change has been made, you will be able to view and confirm in the salary setting module.