


THE CALIFORNIA STATE UNIVERSITY
Office of the Chancellor
401 Golden Shore
Long Beach, California 90802-4210
(562) 951-4411

Date: July 1, 2002 **Code:** HR 2002-20
To: CSU Presidents **Supersedes:** HR 1996-13
From: Jackie R. McClain 
Vice Chancellor
Human Resources
Subject: **Management Personnel Plan – Supplemental Compensation**

With regard to individuals in the Management Personnel Plan (MPP), the campus president has the authority to provide salaries authorized for the appropriate administrative grade level on the established CSU system salary schedules. Salary increases may be provided during the annual merit salary increase program, when there is a change in the MPP assignment that results in a change in the administrative grade level and/or the MPP job code or when a president has determined an equity increase appropriate. A Merit Bonus Program is also available. The campus does not have the authority to augment or provide supplements to MPP employee salaries regardless of the source of funding of the augmentation or supplement.

MPP benefits (retirement, medical insurance, life insurance, etc.) are provided to MPP employees through approved systemwide benefit programs. In accord with the policy of the Board of Trustees adopted in March 1996, the chancellor has the authority to approve benefit programs for MPP (and other non-represented) employees. The campus does not have the authority to provide supplemental benefits to MPP employees such as automobiles, automobile allowances, housing, deferred compensation, etc., regardless of the source of funding.

It is recognized that, in some cases, it may be appropriate to provide supplemental compensation to MPP employees. Where supplemental compensation is appropriate there must be a clearly demonstrated benefit to the CSU as a basis for the supplemental compensation and the funding must be from non-General Fund resources. In all cases there must be written approval from the chancellor or designee prior to providing supplemental compensation. For non-athletic related supplements, funding source exceptions can be requested in those rare instances where it is appropriate to provide supplemental compensation from General Fund resources.

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The chancellor delegated authority to the vice chancellor of human resources to approve MPP supplemental compensation exceptions. Approval for supplemental compensation for athletic coaches is the responsibility of the campus president in consultation with the vice chancellor of human resources and general counsel, as appropriate.

Procedure for Approval of Exceptions to Supplemental Compensation Restrictions

The procedure for submission and review of proposals for exceptions is as follows:

1. The campus president will write to the chancellor or designee, indicating:
 - A. The name, title, administrative grade level and current annual salary of the employee to receive the supplemental compensation.
 - B. The reason for the proposed supplemental compensation and the benefit to the CSU.
 - C. The description and annual value of the supplemental compensation, and the proposed beginning and ending dates of the supplement.
 - D. The source of funds for the supplemental compensation with indication of appropriate approvals (of the foundation board of directors, granting agency, etc.).
2. The chancellor or designee will review the request for supplemental compensation and indicate the decision in writing. In the case of approved supplemental compensation, both the request from the campus president and the approval from the chancellor or designee shall be placed in the personnel file of the MPP employee receiving the supplement.

If you have any questions, please contact me or Cathy Robinson, in Human Resources Administration at (562) 951-4411. This HR Letter is available on Human Resources Administration's web page at: <http://www.calstate.edu/HRAdm/memos.shtml>.

JRMCC/gc