THE CALIFORNIA STATE UNIVERSITY
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Date: February 3, 1997
Code: HR 97-02

To: Presidents

From: Samuel A. Stranac
Interim Senior Director
Human Resources

Subject: Utilization of Management Personnel Plan (MPP) and Confidential Employee
Merit Salary Increase Funds Across Fiscal Years

Recently there has been a request for clarification regarding the utilization in a
subsequent fiscal year of unexpended campus MPP and Confidential merit
salary increase funds. Campus presidents do have the authority to use in
subsequent fiscal years unexpended funds from the MPP and Confidential
merit salary increase program for any appropriate expenditure (operating
expense, travel, salary increases, etc.). The specific unexpended dollars
appropriated in a particular fiscal year will revert if not expended within three
years; however, the base budget amount will remain the same. If the unexpended
funds are to be utilized as a supplement in the MPP and Confidential merit
salary increase program in any subsequent year, the following procedure
should be initiated:

1. A record of the amount of the unexpended funds should be maintained in
   the MPP and Confidential merit salary program file for the year in which
   the funds were originally authorized.

2. In the second year when the funds resulting from prior years’ unexpended
   merit salary increase allocations are to be used to supplement the
   authorized level of expenditure in the MPP and Confidential merit salary
   increase program, records should be maintained that clearly separate the
   supplemental funds from the funds expended under the authorized level
   of expenditure.

(Over)

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3. All reports regarding the MPP and Confidential merit salary increase program should clearly separate the utilization of prior year supplemental funds from the utilization of funds authorized under the current year calculation so that the reported percentage increase does not exceed the increase authorized for the current year.

Questions regarding the Management Personnel Plan and the utilization of prior year supplemental funding should be directed to Noel Grogan in Office of the Chancellor at (562) 985 2665.

SAS/cd