Retroactive Changes to Salary Expense

Section: VII: Financial Services
Chapter: 11
Date Updated: April 11, 2017

11.1 Retroactive corrections that impact salary expenses are limited to 90 days from the original payment date of the salary transaction. Salary expense is defined as compensation for employees and supplemental compensation paid to employees. Funding agency restrictions on grants and contracts may prohibit other types of retroactive expense changes.

11.2 Retroactive changes permitted within the 90-day period may include:
   a. Cost center or funding source changes;
   b. Changes in percent distribution among funding sources; or
   c. A combination of changes in funding source and distribution.

11.3 Retroactive changes are not allowed:
   a. For terminated employees;
   b. If labor expense has been certified and final billed to the funding agency; or
   c. For the purposes of utilizing unexpended funds.

11.4 Retroactive changes that are not in compliance with this policy will only be permitted in extenuating circumstances when supported by written justification, approval by authorizing officials (President, Vice President, Dean, Chair, etc.), and available funding.