

DUKE UNIVERSITY HOSPITAL

Blue Line Number: 2004-746
Date: 03/09/2004 04:38:57 PM
Subject: Retroactive Pay Adjustments

TO: Hospital Leadership

FROM: William J. Donelan, Chief Operating Officer
Duke University Health System

RE: Retroactive Pay Adjustments

DATE: 9 March 2004

The implementation of the SAP HR/Payroll system in 2002 resulted in the evaluation of the efficiency of our existing business processes. Retroactive pay adjustments impose significant costs on the University and Health System in terms of money, employee relations and administrative time (retroactive changes currently account for almost half the work in the Payroll Office.) Therefore; the following types of transactions are not permitted:

- Retroactive adjustments to hourly or monthly rates of pay
- Retroactive effective date changes for position reclassification
- Retroactive transfers of employees between positions or departments
- Retroactive transfers of employees between the faculty/staff and biweekly payrolls as well as the faculty/staff and non-compensatory payrolls

It is critical that no commitments regarding the effective date for pay adjustments be made to employees until written authorization is received from the appropriate budgetary official and Human Resources. All appropriate paperwork should be completed and processed **in advance** of the effective hire or status change date. In all cases, the required adjustment should be effective with the beginning of the **next** pay period after written authorization has been received. Retroactive adjustments in funding sources (which do not impact pay rates or classifications) are not impacted by this change.

There are occasionally compelling business reasons for permitting retroactive pay adjustments. These exceptions to policy will be handled on an individual basis, and will require the approval of one of the officers listed below:

Central Administration/DCRI	Tallman Trask III
Provost	Peter Lange James S. Roberts

Duke University Hospital

Kevin W. Sowers

Medical Center

Gordon D. Williams
Scott Gibson

Health System

William J. Donelan
Kenneth C. Morris

Approved pay adjustments of this type will be made in the following pay period, as a one-time gross adjustment for nonexempt (biweekly) employees or as a supplemental payment for exempt (monthly) employees. We expect these will be very infrequent.

Communications Department

Duke University Hospital
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