



NORTH CAROLINA AGRICULTURAL AND TECHNICAL STATE UNIVERSITY

HUMAN RESOURCES

DATE: May 14, 2009
TO: University Administrators, Managers and Supervisors
FROM: Linda McAbee, Vice Chancellor for Human Resources
SUBJECT: Clarification on the Flexible Furlough Program

A handwritten signature in blue ink, reading "Linda H. McAbee".

This memorandum is to provide further clarification on the Flexible Furlough Program mandated by the Office of the Governor.

The Flexible Furlough Program will result in a 0.5% (one-half of one percent) decrease in annual salary for all University employees, regardless of salary funding source. For each employee, this translates into a 3% reduction in gross pay per month for the months of May and June 2009, and includes all full-time, part-time, temporary and contractual employees funded from the general fund, highway fund, federal funds, special funds, trust funds or other receipts that flow through the state. For split-funded positions, the entire annualized deduction would not exceed 0.5%, but proportional deductions would come from each funding source.

Example calculation: An employee's annual salary is \$40,000 and is paid monthly. The amount of the annualized 0.5% is \$200. The amount deducted in May and June is \$100 each month. For an employee paid bi-weekly, there would be a \$50 deduction for four bi-weekly paychecks, although May bi-weekly payroll deadlines may require that this be spread among three checks instead of four. If there is no pay in May or June, nothing can be deducted. If there is pay in May but not in June, the entire annualized 0.5% amount would be deducted from the May check. The calculation will still be based on an annualized 0.5% amount, regardless of full-time or part-time status.

Non-leave earning employees, including temporary employees and employees working on a 9 or 10 month schedule, are also subject to the Flexible Furlough Program. Temporary employees who are paid on an hourly basis will be required to reduce their hours by an amount proportionate to their average weekly hours.

Example 1: A full-time temporary employee normally working 40 hours per week will be required to work 10 total hours less prior to the end of the current temporary payroll period on May 23, 2009. Not 10 hours per week less, not 10 hours per month less, but 10 total hours less prior to May 23, 2009.

Example 2: A part-time temporary employee normally working 30 hours per week will be required to work 7.5 total hours less prior to the end of the current temporary payroll period on May 23, 2009. Not 7.5 hours per week less, not 7.5 hours per month less, but 7.5 total hours less prior to May 23, 2009.

Employees working on a 9 or 10 month schedule who receive a paycheck in May, but not June, will have the full 0.5% of their annual salary taken out in May. Employees who receive a paycheck in May and June will have any remaining balance of the .5% taken in the June paycheck.

Summer school pay that is in addition to a faculty member's base rate of pay is excluded from the Flexible Furlough program. Base pay calculations should include all compensation received during May and June, 2009. The calculation also should include July and August 2009 payments. However, supplemental pay paid for self-supporting summer courses (where costs are 100% supported from student tuition and fees) will not be included as part of the furlough program.

The Flexible Furlough Program **does not** apply to federal work study students, graduate students, students who receive work aid and stipends.

As part of the Flexible Furlough Program, all permanent full-time employees will be credited with 10 hours of flexible leave which may be taken between June 1 and Dec. 31, 2009. The flex leave time is pro-rated for permanent part-time employees. This will be recorded as flex leave in the same method as other leave. Unused flexible leave will not be paid out in cases of separation from the University and will be forfeited if not used by December 31, 2009.

The University continues to seek clarity about details with officials from the Office of State Budget and Management, the Office of State Personnel and UNC General Administration, and further information will be provided as it becomes available. For more information about the Flexible Furlough Program, including a comprehensive FAQ, please refer to the Office of State Personnel website:

<http://www.osp.state.nc.us/ExternalHome/index.htm>

Additional information is also available on the Division of Human Resources website:

<http://facultypages.ncat.edu/hr/Flexible%20Furlough%20Program%20.htm>

Please do not hesitate to contact the Division of Human Resources at 334-7862 should you have any questions about the program.

cc: Dr. Stanley Battle, Chancellor
Dr. Alton Thompson, Interim Provost
Cabinet