

PPP-64 Implementation of Modified Fiscal Year Appointments

East Tennessee State University maintains the discretion to implement MODFY appointments for non-academic personnel as deemed feasible and desirable to effectively pursue its priorities.

Definitions

Modified Fiscal Year (MODFY) appointment: A MODFY appointment is an alternative employment base for University non-academic personnel. The MODFY service period is less than the twelve-month fiscal year and will generally coincide with the nine-month academic year, with off-duty during the summer months. However, the actual length and work schedule can vary at the discretion of the University President.

Full-time MODFY: In accordance with TBR policy, if a non-academic employee works 37.5 hours per week during the MODFY service period, he or she is defined as full-time.

Part-time MODFY: If the employee works less than 37.5 hours per week, he or she is designated as part-time.

Regular Status: Employees on MODFY appointments are employed for the entire 12-month year. Regular employee status shall not be changed. Employees on MODFY appointments will be paid in 12 monthly installments each year, which is necessary to maintain eligibility status for full benefits as described below.

MODFY Schedules: The University must establish beginning and ending MODFY appointment dates each year.

Examples of MODFY Schedules:

- (1) Appointments of 9, 10 or 11 months based upon workload and the fluctuations in the academic calendar. Example: Employees may work August through May, or a 10-month MODFY schedule because they have no responsibility for summer school support.
- (2) Appointments of less than 12 months, but with intermittent work schedules based upon workload and changes in academic and/or administrative calendar fluctuations. Example: An administrative employee may work 9-month MODFY schedule based upon the reduced workload during the months of June, December, and January.

Procedures

The University President has the discretion to implement MODFY appointments for non-academic personnel. The determination of employees to be affected by appointment modification will reflect documented administrative consideration of the following criteria in rank order:

- A. Employees may voluntarily agree to convert to a MODFY service base at a proportionately reduced salary.
- B. Vacant fiscal year appointments and new positions will be converted at the discretion of the University President.

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- C. The University President may re-designate a filled fiscal year position to a MODFY service base. The current employee will be allowed to voluntarily convert to the MODFY service base. If the employee declines the conversion, the employee will be terminated in accordance with their university contract and in compliance with TBR Personnel Guideline P-010: 30 days notice for administrative/professional employees, 14 days notice for clerical/support positions. The terminated employee will be offered in writing the new re-designated MODFY service base position prior to the position being advertised or filled through transfer, promotion, etc. If there is no break in service, no probationary period will be required.

Benefit Provisions for Full-time MODFY Appointments

- A. Retirement. As regular employees, employees on MODFY appointments maintain retirement eligibility. They will receive a full year (12 months) of creditable service for retirement purposes.
- B. Insurance. Employees in these positions will be eligible to participate in the State of Tennessee Group Insurance Plan providing they work at least 30 hours per week during the MODFY service period. They will make contributions through payroll deduction procedures throughout the entire year and coverage will extend throughout the year. It should be noted that the employees' amount of life insurance would be reduced due to decreased annual salary in this appointment.
- C. Annual Leave. These employees will be eligible for annual leave, which will be accrued at the appropriate monthly rate for each month actually worked. Clerical and support employees will be given a full year's service credit for purposes of monthly accrual levels. (For example, an employee with less than five years' creditable service would accrue 7.5 hours annual leave for each month worked, or approximately 67.5 hours per year. An employee with six years' creditable service would accrue 11.3 hours annual leave for each month worked, or approximately 101.7 hours per year.) Each MODFY period served should be treated as a full year's service in determining how many annual leave hours per month the employee accrues. An employee with four years' service at a 12-month service base plus one MODFY period would be given five years' creditable service and begin accruing annual leave at the rate of 11.3 hours per month worked.
- D. Sick Leave. Employees will accrue one-day sick leave for each month actually worked.
- E. Holidays. Employees in these appointments will receive full compensation for all University holidays occurring during the MODFY period.
- F. Leave Between Academic Year Terms. The work schedule of employees in these appointments shall coincide with that of 12-month non-academic employees during breaks between semesters.
- G. Civil Leave. This leave will be granted when coinciding with regular scheduled work time during the MODFY period.
- H. Longevity Payments. Because they are considered full-year employees and paid over 12 months, these employees are eligible for longevity payments. Payments should be made for a full year's employment. NOTE: MODFY employees who are also part-time employees (less than 100%) must work at least 82.1% to receive longevity payments.
- I. Military Leave. Employees in these appointments will be entitled to leave of absence from their duties for the purpose of military service, duty, or training in the event that this military obligation occurs

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during their months of regularly scheduled service. They will be compensated in accordance with TBR policy for military leave compensation.

Other Considerations

- A. Unemployment Compensation. Employees on MODFY contracts are not eligible for unemployment compensation during their off-duty months.
- B. Grant-in-Aid and Educational Scholarship Programs. Employees on MODFY appointments will be eligible for participation so long as they are on the payroll.
- C. Over-time Payments. Some payroll calculations are complicated because MODFY reduced salaries are spread over 12 months. All employment actions (mid-year hires, terminations, or promotions) require the calculation and payment of deferred salary. For this reason, overtime payments should be kept to a minimum, if necessary at all, for clerical/support employees in these appointments.
- D. Outside Employment. Employees in these MODFY appointments may wish to seek outside employment during off-duty months. In such cases, University and TBR guidelines on dual services must be followed, if applicable.

*Source: Tennessee Board of Regents Personnel Guideline P-030
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