

# CONTRACTS 1.0

## Salary Policy for Contractors -- 1.24

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**Date Issued:** December 31, 1998

**Date Last**

**Revised:**

**Signature:**

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Assistant Commissioner  
Bureau of Health Services

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### **POLICY**

If a contractor is to be reimbursed for salary\* expenditures, such reimbursement must be in accordance with the Department of Health Salary Policy for Contractors (\*salary includes salary and benefits).

### **APPLICABILITY**

This policy applies to all contracts.

### **PURPOSE**

To ensure salary reimbursements are in accordance with Department of Health policy.

### **PROCEDURE**

A policy regarding salary increases and/or adjustments for contract employees shall be developed annually by the Department's Bureau of Administrative Services. That policy shall be implemented as follows:

1. For employees of Community Service Agencies, Human Resource Agencies, and Tennessee Opportunity Programs, salary increases shall be allowable provided they are consistent with salary increases received by state employees. If state funds are provided to the department for this purpose, or if other sources of funding are available to the department (e.g. additional federal funds), then such funding shall be provided to the contractor and shall be reflected in the approved contract budget. In the event additional funding is not provided nor available for salary increases, such increases can still be given provided funding

is made available through transferring funds from "other" to "salaries and benefits" and, provided further, that such adjustment is reflected on the approved contract budget. Other salary adjustment (i.e. reclassifications, promotions, or benefits adjustments) shall be allowable provided funding is made available by the department, or savings in "other" categories is available, and approval is received from the department prior to the adjustment.

2. For employees of state agencies, state colleges and universities, and the University of Tennessee, salary increases for contract employees shall be consistent with the policy for all state employees. Other salary adjustments (i.e. reclassifications, promotions, or benefits adjustments) shall be allowable provided funding is made available by the department, or savings in "other" categories is available, and approval is received from the department prior to the adjustment.
3. For employees of county governments who work in rural health departments, salary increases and/or adjustments shall be permitted provided they are consistent with the salary policy for all other employees of those county governments.
4. For employees of all other contract agencies, including metropolitan health departments, salary increases and/or adjustments (i.e. reclassifications, promotions, or benefits adjustments) are allowable, subject to the following:
  - a. salary increases and/or adjustments shall be consistent with the salary policy of the contract agency;
  - b. participation by the state in the funding of salary increases and/or adjustments shall be limited to the amount reflected in the approved budget of the contract. Such amounts may be adjusted by amendment or revision upon approval by the department.

It is not the intent of this policy to deny, prohibit, or interfere with implementation of the contractor's salary policy but instead to limit the Department of Health's participation in the cost based upon funds available to the department. This policy also does not preclude the contractor from giving increases, promotions, reclassifications, or adjusting benefit payments to its employees provided they are funded with resources to the contractor from sources other than the Department of Health.

#### **REFERENCE DOCUMENTS**

Tennessee Department of Health, Revised Salary Policy for Contractors, Current FY

#### **OFFICE OF PRIMARY RESPONSIBILITY**

Fiscal Services Section, Bureau of Health Services, (615)741-7305