

BANKING STAFFING – THE “WHAT” and “HOW”
(First published in the NZPF Principal Magazine in August 2009)

Banking on Staffing – Update 2 August 2009
By Gavin Price

This document contains some additional advice (in bold) that was not included in the NZPF Magazine Article (June 2009) and a further update in August 2011.

A quick list of suggestions to help you maximise the resource....

Make it your business to ask colleagues and advisors about the bits below that you are not convinced about.

THE BANKING STAFFING REPORT

The banking staffing report attached to the SUE report (final pages) is a simple (and elegant) summary of every teacher charged to TS in that pay period, taken from the “SAL” and “HOL” line of the SUE Report. In Term 1 no “HOL” is charged to your banking staffing and in term 2 and 3 only the first 14 days of “HOL” is charged to your banking staffing. (See below for more on managing the “HOL” situation) It also contains the recent history from earlier pay periods.

Each fortnight, at the very least, examine the “Difference for Period” line of the Banking Staffing report and respond to any unexpected balances in that line (but not pp 19!!). Watch the right hand figure on the same line (which shows the year to date balance) to track overall progress towards your expected end of year balance

THE MATHEMATICS OF BANKING STAFFING

14 days = 1.00 FTTE or “Banking Staffing” unit, therefore 1 day is 1/14th of 1.00 FTTE or Banking staffing unit, which is 0.07.

Translated, the usage per fortnight for a full time position will be **1.00** and if that person is away on leave without pay for 2 days in a fortnight, their usage will be 0.86 (1.00 – 0.14) for that fortnight. Similarly, a reliever charged to TS for one day will use 0.07 FTTEs **Overuse can be given a dollar value by dividing the overuse (in FTTEs) by 26, then multiplying by either the MOE recovery rate (this is the cost that appears on the banking staffing report) or the salary of the teacher/s who will be charged to BG to offset the overuse.**

1 JULY RETURNS (They generate your banking staffing entitlement most effectively in the first instance)

Use as a minimum prediction, the actual numbers at each year level at 1 July, rolled over one year to complete the predicted 1 March roll for next year. (The Year 1 prediction should be at least **your actual 1 March Year one roll See table M3**)

RELIEVERS

ALWAYS CODE ALL RELIEVERS TO “TS” (The Golden Rule of Banking Staffing!), even when in banking staffing overuse unless the relievers salary is

either of the two untrained teacher rates (Step One or Step 2).

THE POLICY

Charge everyone to TS initially and when overuse results let it accumulate until a clear pattern emerges, then flick a salary under the current recovery rate to BG later in the year, remembering that it is generally easier to manage some overuse after pp 22 in the new year than risking charging too much to BG and trying to manage a credit next year (applies especially for primary and contributing schools). The other advantage of this policy, if you wait as suggested, is that unexpected roll growth can offset the overuse if you give it a chance, as can the usual underuse in pp 23 next year, when not all staff are back on the books at the first pay period in the new year.

MINUTE BANKING STAFFING DECISIONS

To avoid endless compliance on this issue I recommend that the following be tabled at the first BOT Meeting each year

“For 200X all staff including relievers will be charged to “TS” and any overuse which cannot be managed within the banking staffing entitlement will be managed by charging our cheapest salary to “BG” for sufficient time to clear or reduce the overuse by pp 22 or pp 26 at the latest. Where there is no suitable salary we will use the current MOE recovery rate for this purpose.”

NOTE: There is a 10% limit on overuse – See Chap 2 of the Funding Staffing and Allowances Handbook - “Banking of Staffing”

HOLIDAY PAY AT PP 19

Ignore pp 19. Instead, recheck your predicted year end balance when you have the first full SUE Report early in term 4, then a final check at pp 18 and if all looks well and you are tracking towards zero or an intended negative balance of some sort, have a look at pp 22 when you return in the new year to see how it all panned out! Much better for your health, and it is very likely that most of the overuse generated in pp 19 will have evaporated in pp 20-22 because there will be corresponding underuse in those 3 pay periods when school is closed.

Remember too that you have four pay periods next year to flick anyone under the current recovery rate to BG and if there are no qualifying salaries, let MOE take the overuse from your Operations grant instalment in July next year instead. (Remembering too that there is a 10% limit on allowed overuse at pp 22 – that means 10% of your annual entitlement, so a school with a fortnightly entitlement of 8.2, for example, can be up to negative 21.32 without penalty (8.2 times 26 times 0.1) – not that I am recommending such a practice, just helping you see that there is plenty of latitude for adopting the policy advocated above.)

MONITORING HOLIDAY PAY WHEN STAFF LEAVE DURING THE YEAR

There are 13 weeks in each “term” if we divide the calendar year into four equal parts, but we only get 2 weeks holiday after 10 weeks at school, meaning that each term we are “owed” a week’s leave. At the end of term three we are owed 3 weeks. We

accumulate 3 weeks leave in term 4, which gives us 6 weeks leave for the Xmas hols. (Now look at the Holiday Pay graph on the MOE Banking staffing website and see how it all matches the above.) The graph also has a box showing that we only use banking staffing entitlement for "SAL" days in term 1. If your banking staffing report shows more usage than "Sal" days times 0.07 for someone who left during or at the end of term one then you need to request a banking staffing adjustment. In term two & three use the term one calculation, but add the first 14 days "HOL" that the teacher received – so, for a full timer the process is "SAL" days times 0.07 plus the "HOL" days up to a max of 14 days (1.00 FTTEs). Term three is as for term two. Term 4 – all "HOL" and "SAL" is charged to banking staffing so nothing to claim.

(Remember that if a teacher is coded BG the appropriate "HOL" payments will also be charged to BG, according to their "time" in both BG & TS during the year, hence the recommendation regarding the careful choice of who to charge to BG when addressing overuse)

And a final "catch all" for holiday pay monitoring – At pp 22, where more than one teacher performed the same job over the year and you have not already sought banking staffing adjustments for these teachers, add their total usage and if the total exceeds 26 times their fortnightly usage, request a banking staffing adjustment using the- or "Request for Banking Staffing adjustment" form on the Payroll Website.

USING A BEGINNING TEACHER SALARY

Yes, you can use a beginning teacher salary as your cheapest salary. Just remember that from the day you flick the salary to BG you will henceforth lose the 0.1 or 0.2. This fits in nicely with the policy above as you will receive the allowance for the first part of the year while the beginning teacher is in "TS", so just calculate how much the remaining 0.1 or 0.2 will cost you on top of the salary for the period of time they are in BG. Some schools, intending to fund an extra staff member from BG and having no cheap salaries other than the BT salary, simply calculate 0.1 or 0.2 times \$61500 and add it to the BT salary to find out whether they are under Step 11. If not, they "accept" the MOE recovery rate as their best option, having due regard for the 10% overuse limit.

MANAGING OVERUSE

Be aware that it is prudent to select the salary of a "steady" staff member when charging a salary to BG. If the staff member leaves, the holiday pay, or part thereof will be charged to the board. Any retrospective changes to a salary coded to BG will also be charged to BG further down the track– and sometimes years later!. Often it is a pro-rata adjustment depending on what percentage of the time the staff member was coded BG, but sometimes the board can incur unexpected expense, such as happened with the one off payments following the last award. There was a lump sum payment declared and where a

qualifying salary was in BG on the "trigger date" of 30 November 2007 all of the \$750 payment was charged to the board, even where the salary had only been coded BG for the one pay period of the trigger date!

When Industrial Relations settled the Collectives they issued a circular - 2008/03 detailing the main components of the settlements. The top of page 2 was headed "Lump Sum Payment" and advised that the payment to eligible teachers would be made in pay period 1626 (payday 26/3/08) but did not alert us explicitly to the potential blow out for boards with qualifying staff on BG on 30 Nov 2007 as far as I know.

The moral of this story is to understand that pro rata system works most of the time, but one off payments need to be watched closely. In short – don't put anyone to BG who might incur extra costs for the board.

Suggestion: Read 4.5.1 of the "FISH" book – an MOE publication "Financial Information for Schools Handbook". This one page discussion clarifies the treatment of overuse at pp 22 for your own peace of mind and that of boards and others associated with your school end of year financial returns.

MANAGING UNDERUSE

The big issue here is trying to use last year's underuse in four pay periods, when one of them (pp 23) pretty much disqualifies itself as school is not open for the first part of that pay period. The answer (for me) is end the year (pp 22) with a slight deficit so that you do not end up with underuse, but if you are caught out by late roll growth or similar circumstances ask colleagues for advice. Many will have been through the event in the past and will be able to help with suggestions. Sometimes the suggestion will be "Do nothing and take the reimbursement", as the school may find there is more benefit in underusing in the first four pay periods so that they have some staffing saved for later in the year. While schools are not allowed to pay in advance to try to use up last year's underuse, they can "anticipate" staffing that will be used in the current pay period beyond the close down date – described in the 2008 Handbook as "will have worked within the pay period for that return", but now Chapter Seven is accessed via www.schoolpayroll.govt.nz, then by selecting "Pay in Advance" from the "A-Z of Payroll", then "Payroll pays employees in arrears", which will then get you to the relevant statement "will have worked...etc". (Whew!) (Especially useful in pp 26, but notify payroll well before the closedown date or you might miss out!)

Gavin Price August 2009 (Updated Aug 2011)