

# IUPUI BUDGET GUIDELINES FOR FY 2017-18

## GENERAL INFORMATION

- Resident Undergraduate mandatory and instructional fees are proposed to change by an overall increase of 1.4% for FY 2017-18. This change included a 1.4% increase in Instructional Fees, a 1.4% increase in General Fees, and a 1.4% increase in the Repair & Rehabilitation Fee.
- The salary and wage policy provides guidelines for salary and wage setting that supports the objective of optimizing the university's ability to attract and retain outstanding faculty and staff talent.
- Each RC's average base salary increase is limited to 2.0%, both for faculty and for staff, with the exception of salaries excluded from the average for the reason codes identified in the salary policy. Salary increases will be reported based on continuing employees only. **For Details on the salary policy see Attachment B.**
- When entering salaries of administrators that are set by the Chancellor, the percentage increase in compensation should follow the salary policy of the RC.
- There will be no **full-time** hourly employees. Appointed positions are to be established for hourly employees working more than 1,508 hours in a fiscal year. (The appointed position needs to be established through the normal campus process.)
- The fringe benefit rate for exempt positions (object codes 2000, 2400 and 2480) will be 40.23% and for non-exempt employees (object code 2500) will be 38.99%. Fringe benefits are not used in budget construction for contract and grant employees as only salaries are budgeted on grant accounts. See **Attachment C.**
- Indiana University will use travel and transportation rates defined by the federal government for FY 2017-18. See **Attachment D.**
- The minimum wage rate for all benefits eligible support and service staff will be \$10.15 per hour. Minimum wage for all temporary hourly employees will be increased to \$10.15 per hour.
- Employees earning less than \$31,200 on a full time calculation, after the salary policy increase, will receive an additional base increase up to \$600 for monthly or \$603.20 for hourly. This increase is limited to the amount needed to reach \$15/hr or \$31,200/annually. See **Attachment B** for details.

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## GENERAL AND NON-GENERAL FUNDS

The difference between budgeted and actual expenditures should be comparatively small; consequently, budgets should conform as closely as possible to realistic projections of expenditure patterns. Additional funds for chronically overspent lines should be provided through internal reallocations during budget construction rather than waiting until later in the year. The goal should be to allocate funds at appropriate levels during budget construction.

Changes in salary plan and grade cannot be anticipated. If schools or departments wish to reserve funds for use after July 1, 2017 when a position is formally reclassified, such funds should be budgeted as salary reserves.

Complete the Total Intended amount and FTE fields only if you are budgeting for positions that are split-funded (funded from multiple accounts) or for positions of less than 1.0 FTE. These fields are used as a tool to identify the total salary request for the individual and the total FTE effort the individual will work.

Any vacant position budgeted must meet the appropriate minimum salary level. Only vacant positions that are anticipated to be filled in the coming fiscal year should be included in the budget. There should be no vacant positions budgeted in Contract and Grant accounts.

### **GENERAL FUND BUDGET PROCEDURES**

General fund income budgets use data generated from credit hour and other income/miscellaneous fee projections. The data is distributed by the Budget Office and must be budgeted as distributed.

### **ADDITIONAL INSTRUCTIONS FOR NON-GENERAL FUND ACCOUNTS**

The All Funds budgeting model requires that all material revenues and expenditures are planned and budgeted including Non-General Fund accounts. For additional information including guidelines and new business practices on how to budget these accounts please see <https://fms.iu.edu/afb/business-process-changes/>.

Income and Expenditures **must balance** (excluding 40 through 59 grant accounts, which should include only requested salaries).

Object Code 7971 can be used to budget Non-Recurring cash.

Non-general accounts (excluding 40 through 59 accounts) should budget planned operating margins (7970), both positive and negative, as a part of budget construction. Beginning cash (0110) should not be used as a balancing tool.

Any substantial variances (10% or more) from budgeted income/expense must be addressed in the RC narrative. Fiscal Officers should be prepared to provide additional information upon Campus or University request. The RC narrative should address the causes of the changes.

Do not budget vacant positions in Contract and Grant accounts (40 through 59).

For accounts expiring on or before June 30, you can budget positions if you expect that the contract or grant will be renewed. If the account has a valid continuation account, the funding lines entered on the expired account will automatically roll to the continuation account as part of the budget load process.

Budgeting R&R for Non-State Supported Facilities- Any auxiliary enterprise and service unit that has primarily funded and/or occupies a significant portion of one or more university owned buildings is required to set aside, annually, at least 1.25% of the facility replacement value of the building(s) for

projects defined as R&R. Service center accounts have an additional restriction that the amount transferred cannot exceed the annual depreciation amount of the building(s).

## **INCOME**

- In a separate e-mail message, you will receive the detail of the general fund income as it needs to be budgeted in your RC. Accounts, object codes, and dollar amounts cannot be changed. The amounts for instructional and non-instructional fees for Summer I and Summer II have been combined using the appropriate 10xx object codes.
- The general fund proforma (income only) is being distributed in a separate e-mail message.
- Each RC's assessed and appropriation income will be provided in a separate e-mail. **Please remember that assessments are shown as negative income in the RCB account (12xxx87) for academic units.**
- Incidental Income for the general fund has been loaded into budget construction. These amounts should not be changed.

## **EXPENSE**

- **Compensation**

- **Split Appointment-All Fund Groups**

In proposing a salary for an individual whose salary is split between RCs or campuses, the FTE and funding amount need to be agreed upon by the appropriate parties at both locations. This will ensure accuracy and open communication between all parties involved.

**NOTE: When Salaries are split between accounts, the amount and the percent (FTE) must match.**

- **Salary Exceptions and Reason Codes**

Reason codes in budget construction will be used only for conditions described in the Salary Policy **Attachment B**

When coding an employee's request line with a reason code, every funding line must contain the same reason code and the portion of the amount associated with the reason for that funding line, excluding any merit increase amount.

- **Fiscal Year Supplements**

Non-exempt employees with a wage rate that exceeds the maximum wage rate will have a frozen base salary, until the maximum of the wage structure catches up to that wage rate. Departments should budget the requested salary to indicate the request annual salary for the employee. Amounts that exceed the maximum will be paid in the form of a Fiscal Year Supplement (additional pay paid over the fiscal year) initiated by University Human Resources.

- **Union**

The UNN reason code used to identify union employees has been loaded in budget construction. The amount of \$0.00 (applicable to the reason) was also loaded. Union employees should be budgeted at their current base salary. During Budget Construction the union salaries are excluded from Salary setting calculations. However, after union salaries have loaded and BC is complete, the UNN reason codes will not remove a salary change from the calculation of average percentage salary increase.

Budget a salary reserve sufficient to fund salary adjustments of 2.0% and the additional \$603.20 in the 2504 salary reserve line. The current base salary is to be used for the FY 2017-18 requested salary. Do not delete the UNN reason code that has been added in budget construction.

- **Temporary Employees – Retirement Eligible:**

All employees who are in Temporary positions (assignments) that have reached 900 hours of service in a single calendar year shall be covered going forward by the Retirement & Savings Plan, unless covered by another University-sponsored retirement plan. This requires all hours University-wide to be considered (not by RC)

- **Other Compensation Matters**

Vacant positions are not to be budgeted with a requested salary of \$0 in budget construction. A vacant position with \$0 salary request should either be marked for delete (with CSF tracker dollars) or purged (with no CSF tracker dollars). Vacant positions should be budgeted at the anticipated salary amount.

If the account funding for a position is changed in budget construction, the HRMS work area will not be affected. An E-Doc needs to be completed if the work area is to be changed.

When budgeting a split-funded (funded on multiple accounts) position, the dollars and percentage for each funding line must agree. For example, a position split 40%-60% on two accounts must show 40 percent of the dollars on the first account and 60 percent of the dollars on the second account.

When a biweekly position is funded on multiple accounts, the hourly rate must be the same on each account.

- **Leave of Absence**

The Campus is requesting that Schools use of the “Leaves Request CSF” during the budget construction this year. An E-Doc will need to be prepared and submitted effective for July for anyone on leave.

There are four data fields that are involved in the leave request.

1. Leaves Request CSF Amount
2. Duration Leaves Code
3. Leaves Request FTE
4. Leaves Request %

The “**Leaves Request CSF Amount**” is activated when a “Duration Leaves” code other than “NONE” is selected. It allows you to enter the total funding amount requested that should be reflected in the CSF Tracker. This amount is recorded here instead of the Requested Field. The requested field would only show the amount of pay for time the individual is not on leave. This field is not editable, until a duration leaves code other than “NONE” is selected. This is the amount that will be used on the salary list. See **Attachment E**.

The “**Duration Leave Code**” just below the “Amount” field in the “Leaves Req CSF” section is the “Duration Leaves Code” field, which contains a pick list of codes that describe reasons for leaves of absence. The default value is “NONE”.

The “**Leaves Request FTE**” value will be recalculated by the system if the “Leaves Request %” or “Duration Leaves” are edited on the Salary Setting screen. This field is not editable.

The “**Leaves Request FTE Percent**” field contains the requested percent time for this leave. Any percent from 0 to 100 may be entered.

- **Salary Minimum and Maximums**

**Attachment F** provides a schedule of “minimums” and “maximums” for CL, NU, PN, TE, RS, and GS salaries. PA ranges are maintained by UHRS at the following:  
<http://www.indiana.edu/~uhrs/salary/pa-ranges.html>

- **Faculty Holding Administrative Positions**

Salaries for new faculty administrators should have two components to their salary. One component is the traditional 10/12-month base amount, and is budgeted in object code 2000. The second component is the Administrative Support, and the specified amount is budgeted in object 2000, sub-object ADM. See **Attachment G** for full policy.

- **Promotion and Tenure**

Again this year, we are requesting that you provide a list of the academic appointments receiving promotion and tenure with the salary increase amount attributable to the promotion and tenure process. If the individual is not receiving a salary increase in budget construction, we ask that you provide an explanation. See **Attachment H**.

- **Supporting Spreadsheets required for**

- PRO - Promotion & Tenure-allowed for Faculty only
- RCL - Reclassification and Promotion-allowed for Staff only
- Salary increase of 8% or greater

- **Implications of eDoc Processing in Relation to Budget Construction**

Budget data is built from existing HRMS Job and Position data. When a budget is opened you will find existing appointed employees tied to their positions, just as they are in HRMS, if a candidate job row is found and the appointment funding is flagged for CSF. Budgeted positions without incumbents are identified as vacant in Budget Construction. For details on how eDocs affect the budget see **Attachment N**.

- **April-May-June E-Docs**

All E-Docs (academic and staff) processed after the budget is submitted with an effective date prior to 7/1/17 must address the impact on the FY 2017-18 budget. Please indicate the FY 2017-18 details in the comments or notes on the e-doc.

The impact on the FY 2017-18 budget should be categorized as one of the following:

- 1) THIS DOES NOT AFFECT THE FY 2017-18 budget. This statement is used when the transaction is for FY 2016-17 only and this person is in the FY 2017-18 budget **exactly** as you want.
- 2) DELETE FROM THE FY 2017-18 budget. To be used if you had put the person into the budget and now they are leaving. Please indicate if transferring to another department or terminating from the university. If you had put them on a different organization and/or account than what is on the E-Doc, please identify the organization and/or account number and position number from which they are to be deleted.
- 3) CHANGE THE FY 2017-18 budget AS FOLLOWS. Give account and position number of the FY 2016-17 location of the employee as originally submitted, and the FY 2017-18 salary plan and grade, salary (full-time rate/pay period amount/hourly rate), source of funding and any other pertinent information you wish to change.
- 4) THIS PERSON WAS NOT INCLUDED IN THE FY 2017-18 budget. Give the account number, position number, FY 2017-18 salary information (full-time rate/pay period amount/hourly rate) and any other information necessary to insert into the new budget correctly.

Fringe benefit rates for the next fiscal year are listed in **Attachment C**. **READ CAREFULLY AND NOTE THE CHANGES.**

- **Contract and Grants**

Salaries should be budgeted on grants using object codes 2000, 2400, 2480 etc. Do not budget vacant positions in Contract and Grant accounts (40 through 59).

For accounts expiring on or before June 30, 2017, you can budget positions if you expect that the contract or grant will be renewed. If the account has a valid continuation account, the funding lines entered on the expired account will automatically roll to the continuation account as part of the budget load process.

- **Object Code 0110**

Object code 0110, beginning cash, should not be used in budget construction.

- **Object Code 5000**

Remember to limit the amount budgeted in object code 5000, Supplies and Expenses. Please use object codes that are more specific to the expenses you are budgeting.

- **Object Code 4190**

This object code is only used as the default in the routing of Procurement Card documents and should not be budgeted because the expenses should be included in the appropriate line for the expenses charged to the credit card

- **Capital Asset Threshold**

As of July 1, 2002, the capital asset threshold increased from \$1,000 to \$5,000. Please consider this as you budget the capital object codes (7000 series) and use the corresponding non-capital object code where appropriate.

- **Life Cycle Funding**

Each unit must budget 75% of its Life Cycle Funding commitment under object code 9940, sub-object LCF. It is used for budgeting and the transfer to your “92” Desktop Replacement account. Object code 9940 will not be used for purchases. You should continue to purchase equipment using the appropriate object code. As in prior years, we do not budget in the “92” Desktop Replacement account. **Attachment J** shows the amount of your unit’s commitment.

- **Employee Eligibility Verification and Background Check Charge**

Since July 1, 2004, a mandatory background check has been required for all new hires. The background check policy was updated on September 24, 2013. The charge to the hiring department depends on the type of check required. More information may be found on the UHRS website at [http://www.indiana.edu/~uhrs/policies/uwide/bkg\\_check.html](http://www.indiana.edu/~uhrs/policies/uwide/bkg_check.html)

Units should take this into consideration when formulating their budgets. The policy covers background checks for verification of prior employment, relevant education, relevant licenses, criminal history, and sex and violent offender history. All of these background checks are required for all new Staff employees.

All new Temporary employees who are 22 or older shall have a criminal history check and sex and violent offender registry background check. All new Temporary employees who are at least age 18, but less than 22, shall have a limited criminal history background and a limited sex and violent offender registry check. Criminal background checks are not performed on individuals who are under the age of 18. All new Temporary employees who are hired to perform work that requires a license, regardless of age, shall have a license verification check completed as a condition of employment with Indiana University.

In addition to the above, note new policy effective April 30, 2012 pertaining to any employees working in programs which involve children:

<http://policies.iu.edu/policies/categories/administration-operations/public-safety-institutional-assurance/PS-01.shtml>

- **Commitment to Excellence**

Base funding for the Commitment to Excellence initiatives has been identified in **Attachment K**. **Attachment L** provides a schedule of the required funding detail for the Trustee Lecturer program. These funds should be treated like a contract and grant account. Transfers from these sub-accounts will **not** be permitted. Only expenditures associated with the project should be charged to a CTE sub-account.

- **Photocopy Charges**

Indiana statutory provisions under the open records law pertaining to all public agencies indicate “the fiscal body (as defined in IC 36-1-2-6) of the public agency, or the governing body, if there is no fiscal body, shall establish a fee schedule for the certification, copying, or facsimile machine,” and that the fee “must be uniform throughout the public agency and uniform to all purchasers.”

Non-employees should be charged \$0.10 per page for duplication of Indiana University materials.

- **Legal Services**

Legal Services providers must be approved by the Office of the Vice President and General Counsel. Expenditures for legal services may be made only in accordance with guidelines established by that office.

- **UITS Direct Billed Charges**

The following sites provide information for directly billed charges from UITS.

IUPUI <https://webdb.iu.edu/uitsfs/scripts/rates/RatesIN14.html>

IUB <https://webdb.iu.edu/uitsfs/scripts/rates/RatesBL14.html>

- **Telecommunications**

The funding model for UITS changed effective with FY 2011-12. Bundled services for phone/network services for general funds are covered through the RC assessments. For FY 2016-17, General Fund accounts should budget 4083, 4084, 4085 and 4086 for the a la carte services only. Be sure to review object codes and eliminate amounts no longer needed.

For non-general accounts, the budget should include all of the telecommunication object codes as in previous years, i.e. object codes include 4021, 4083, 4084, 4085 and 4086. For the basic service bundle, charges will be based on FY 2009-2010 actual expenses.



## Specifics:

- A majority of services will be funded as common infrastructure from annual RC assessments, or in the case of a non-general fund account, an automatic recurring flat charge.
- All faculty, staff, and graduate students will receive a basic service bundle that includes local calls, US long distance calls, phone and network connections, Unified Communications (such as desktop video-conferencing, instant messaging, desktop sharing, etc.), voicemail, call-forwarding, and BlackBerry Exchange Service connection fees. For many academic units, this change means that all faculty, staff, and teaching graduate students can now have phone services with voicemail and domestic long distance calling without new costs to the unit.
- UITs will eliminate monthly telephone/network billing statements for basic services. A la carte services will continue to be billed monthly.
- A la carte services include international long distance, adding or relocating connections, and other premium services, such as advanced phone equipment.
- The plan is overall revenue neutral in funding IU's communications networks.

## **ERR Reason Code**

**The ERR reason code, Base Rate Data Error, should not be used without permission from the IUPUI Budget Office.** This reason code is for CSF tracker errors. This type of error should be found and corrected before the CSF Tracker is shut off.

## **Reminders for Budget Construction**

**A change to a position and/or incumbent must be processed on an E-Doc and posted in PeopleSoft before it will be reflected in budget construction.** You cannot make changes to positions and incumbents within budget construction. Changes in accounts and subaccounts used to fund positions can still be changed in budget construction.

**Attachment M** shows the column headings for the Salary Funding Dump. Please note the employee ID number (University ID) has replaced the Universal ID number in the Salary Funding Dump. The employee ID and position number should be changed to text fields when importing the Salary Funding Dump into a spreadsheet application or the leading zeros will truncate.

## **Net Transfers**

Effective July 1, 2004, we began budgeting transfers on a "Net" basis. We no longer use the Transfer object codes of 1200, 1669, 1696, 1699, 1808, 4008, 5001-5005, 5169 and 5199. In order to establish a budget net of transfers, new 99XX object codes were created. For amounts submitted during the

preparation of incidental income, you will receive the contra-expense detail that has been loaded in budget construction. Please be sure to use the 99XX object codes for the FY 2017-18 budget.

Do not use the transfer object codes (9920, 9924, and 9925) that tie to the Salary levels in budget construction. These are not coded to reflect the fringe benefit costs.

### **Budget Narrative**

**Fiscal Officers should prepare a written narrative describing significant changes in the budget. This should be by sub fund group in all fund groups.** Please be sure to address the following items in your narrative:

1. Narrative descriptions of what budgetary goals, mission-critical objectives, and/or strategic investments were accomplished within these new funding lines and through these reallocations, as well as what goals were not able to be completely or partially met due to resource constraints and/or stressed revenue streams.
2. A brief summary of your RC's salary setting strategies and indicate how the strategies align with the goals of your RC and how the strategies align with the goals of IUPUI. An important element in these strategies should be a focus on the distribution of salary increases, particularly for faculty, to show that available dollars are not being spread evenly across all salary lines. University priorities should be addressed in salary decisions, subject to resource availability and, for professional staff, to establish salary structures.
3. Please describe any reallocations or major cuts in programs and/or categories that were required in preparing the budget.
4. How were allocation decisions made to align RC resources with Campus and University missions? Provide examples for your RC.
5. Provide details about how the RC was able to balance your budget. This would include examples of specific positions or programs that were added or eliminated.
6. What has your school done to increase operating efficiencies in both your administrative and academic enterprises? The information submitted must include specific operational efficiencies, how they were achieved and the overall impact on unit base budgets.
7. Describe any specific situations that you would like to highlight for your school.

Please include the following supporting schedules:

1. A schedule of newly funded investments (for example, new salary lines or reserves; new program activities; funding increases significantly over baseline maintenance increases), with account and object code references.
2. A schedule of reallocations – reductions of budget lines made in order to free up resources for other activities/lines, with account and object code references.
3. A supporting schedule with explanations for amounts budgeted in salary reserves (object 2005, 2405, 2504) and salary savings (objects 2003, 2403, 2502) by account and object code.
4. A supporting schedule with explanations for negative amounts budgeted in Unallocated (7900) by account.

## **Planned Uses of Fund Balance**

Fiscal Officers will need to submit the planned uses of fund balance as they complete budgets for their responsibility centers.

## **Budget Due Dates \*\*\**Budgets are due by 5:00 pm Monday May 29th*\*\*\***

It is critical that budgets are completed timely in order to consolidate the campus submission. Please contact the Budget Office when you have completed your budget. Items to be forwarded electronically at the completion of your budget are as follows:

- Budget Narrative and Supporting Schedules
- Planned Uses of Fund Balance
- PRO Promotion and Tenure Salary Changes worksheet for faculty
- RCL reclassification and promotions worksheet for staff
- 8% or Higher Salary Changes worksheet

If you are able to complete your budget before the due date shown, please be sure to let us know.

**Fiscal Officers should plan to be available after submitting budgets to answer any questions that may arise. If you are going to be out of the office between May 30<sup>th</sup> and June 9<sup>th</sup> please e-mail the IUPUI Budget Office at [iupuibud@iupui.edu](mailto:iupuibud@iupui.edu) to let us know.**