Budget Construction Guidelines

For

FY 2017-18

May 23, 2017

Budgetary Administration and Planning Office
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Deadline for submission of your budget is Monday, May 29 2017
Bloomington Campus
Preliminary 2017-18 Budget Construction Information
General Fund and Non-General Fund Accounts

A. Introduction

This document, along with supplemental details contained in the attachments, provides the necessary information for preparing your FY 2017-18 budget requests. As in past years, the Budgetary Administration and Planning Office will formally review each budget to check for compliance with campus and university policies. Any deviations from these guidelines or policies must be approved by Budgetary Administration and Planning.

Our focus in developing this budget is, as always, the responsible stewardship of IU’s resources. Each of us is accountable for how we allocate these funds and our decisions should be guided by our continued focus on student affordability and supporting excellence in our core missions of teaching, research, and service. The budget should be a template of the plans for the upcoming year, as units should strive for aligning budgets closely with planned activities. Aligning unit priorities with campus strategic goals will further enhance our ability to leverage the collective assets of the campus, create efficiencies in implementation, and foster connections among units and systems that can lead to improved outcomes for students and faculty.

Thank you for your continued commitment,

Aimee Heeter
AVP, Director Budget Planning
B. Salary and Benefits

1. Salary Policy for Fiscal Year 2017-18—All Fund Groups

The salary and wage policy for fiscal year 2017-18 provides guidelines for salary and wage setting that supports the objective of optimizing the university’s ability to continue to attract and retain outstanding faculty and staff talent.

The salary and wage policy is predicated on an overall budget framework WITHOUT structural deficits.

- Each RC average base salary increase pool is limited to 2%, for continuing faculty and staff assuming the organization has available resources.
  o Each RC (with Campus approval) may elect, given its priorities and resource constraints, to set a salary increase pool lower than provided in this policy.
  o The percent change for faculty needs to be higher than staff.
- Increases 8% and above require Campus and Associate Vice President for Human Resources Review, please email written justifications to Rozzie Gerstman.

A list of includable reason codes is provided below. An employee receiving a 0% increase must be coded with one of the following codes. Please code every funding line with the reason code and calculated amount of the reason. The use of these codes will NOT exclude an increase from the salary average increase calculation:
  a. INS – Insufficient Funds.
  b. MID – Employee received off-cycle increase during 16-17 budget year resulting in no 7/1 increase or a reduced increase %.
  c. NEW – Academic, Professional staff and non-union support or service new hire resulting in no 7/1 increase or a reduced increase %.
  d. PER – Less than satisfactory performance, which should be documented by a performance improvement plan or other corrective action in FY17 or within the previous 12 months, resulting in no or reduced increase for FY18.
  e. FYS – Fiscal year supplement (bi-weekly staff above the maximum salary range).

The policy provides for an exception for individuals excluded from the average for the following reasons ONLY (please code for exclusion every funding line with the reason code and calculated amount of the exclusion):

Excludable Reason Codes Applicable to Faculty:
  b. EQY– Submit request to Campus Academic Affairs for review and approval.
c. FLT – Employees earning less than $31,200 annualized, receiving a flat increase.
d. INT – Employee salary increases mandated by the Department of Labor.
e. MYR – Written agreement completed prior to May 15, 2017 that include a salary increase requirement for the FY2017-2018. Please provide a copy of the individual’s agreement.
f. NTN – Newly tenured faculty.
g. PRO – Faculty receiving promotion in rank or newly named as Distinguished Professors.

Excludable Reason Codes Applicable to Staff:

b. EQY – Market adjustments for employees that have fallen behind in base salary as compared to similar positions on campus and/or in the market. External market data must be provided or approved by Compensation. Submit the request and supporting documentation to Compensation via salaryiu@iu.edu by May 15, 2017.
c. FLT – Employees earning less than $31,200 annualized, receiving a flat increase.
d. HLR – Staff position duties have substantially changed within level and the position now has a sustained increase in responsibility documented in a position description during FY 2017 (position submitted for position review July 1, 2016 - May 15, 2017) and approved by Compensation are eligible for up to an additional 8% salary/wage (combining the HLR percentage with the campus salary policy will result in a higher percentage); requested increases should not exceed the associated salary range maximum or create internal equity or compression issues. Submit the increase request and supporting documentation to Compensation via salaryiu@iu.edu by May 15, 2017.
e. INT – Employee salary increases mandated by the Department of Labor.
f. MYR – Written agreements completed prior to May 15, 2017 that include a salary increase requirement for FY17-18. Please provide a copy of the individual’s agreement.
g. RCL – Staff either (a) reclassified to a higher rank, or (b) promoted to a different position of higher rank.

For Employees with Base Rates Less Than $31,200, a list of your employees will be sent under separate email.

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.
A full-time equivalent rate will be calculated for part-time appointed employees and their salaries will be pro rata. Under separate cover, a file of budget CSF Tracker records will be sent to assist in budgeting and determining the costs, by account. For employees not covered by union agreements, salaries for those paid less than $31,200 ($15/hr) should be set according to this policy, and the reason code “FLT” assigned to the increase.

The PER excludable code should be used for employees with less than satisfactory performance. This should be documented by a performance improvement plan or other corrective action in FY17 or within the previous 12 months.

Support and Service Staff Represented by Unions

For support and service staff covered by a union (i.e. AFSCME Service, AFSCME Police, IATSE and CWA), the salary increase pool available for distribution shall be calculated based on the following:

- The salary increase pools for employees represented by unions will provide for an overall average of 2%. Budget the reserve amount in 2504 of each respective account. The UNN code will populate automatically when you carry forward the individual's current rate.

- Employees earning less than $31,200 on an annualized full-time equivalent rate after the salary policy increase, will receive an additional base increase up to $603.20 annually, with this increase limited to the amount needed to reach $15/hr or $31,200/annually. A full-time equivalent rate will be calculated for part-time appointed employees and their salaries will be pro rata. Under separate cover, a file of budget CSF Tracker records will be sent to assist in determining the cost, by account for budgeting in the salary reserve line.

Salary statistics by RC are calculated independently within three employee classifications, Faculty, Professional Staff, and support/service staff.

The lack of a percentage maximum does not guarantee campus or university approval of proposed salary or wage increases. Units must be able to justify large increases, no increase, or salary and wage decreases for individual employees. All increases should be covered by existing unit budgets. Resulting salaries and wages should be commensurate with those of similar job ranking across the university.
Provide justifications for increases in excess of 8% and above with your budget submission.

As always, please do not share salary and wage recommendations with employees prior to Trustee approval of the FY17-18 budget.

2. All Funds Budgeting – Compensation Documents

(a) Budgeting Limited Term Full Time Staff Appointments: 

(b) Budgeting Non-Permanent Full Time Academic Appointments: 

(c) Salary Exception Reason Code Amount: 

(d) Budgeting Academic Leaves of Absence: 

(e) Budgeting Salary Savings/Reserves: 

(f) Budgeting Vacant Faculty Positions for Administrative Faculty: 

(g) Budgeting Appointment Changes Effective with the New Fiscal/Academic Year: 

(h) Changes in Academic Budgeting Practices: 

(i) New View/Report Functionality: 
If you have any questions, please contact Rozzie Gerstman (gerstma@iu.edu).

3. **Employee Benefit Rates for 2017-18**

   **All Fund Groups**

   **Table 1: Employee Benefit Rates for 2017-18***

<table>
<thead>
<tr>
<th>Benefit &amp; Object Code</th>
<th>Rate</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Insurance/Fee</td>
<td>20.10</td>
<td>Based on the anticipated budget level for salaries of academic staff,</td>
</tr>
<tr>
<td>Courtesy 5625</td>
<td></td>
<td>professional staff, and clerical and service staff.</td>
</tr>
<tr>
<td>FICA 5760</td>
<td>6.85</td>
<td>Based on the total salary and wages budgeted that are subject to FICA.</td>
</tr>
<tr>
<td>Retirement Exempt 5772</td>
<td>13.28</td>
<td>Based on the total participants budgeted salaries.</td>
</tr>
<tr>
<td>(PERF) Retirement Non-Exempt</td>
<td>12.04</td>
<td>Based on the total participants budgeted salaries and those wages budgeted</td>
</tr>
<tr>
<td>5773</td>
<td></td>
<td>in PERF hourly, object code 3050.</td>
</tr>
</tbody>
</table>

Academic faculty and Exempt staff total benefit rate is 40.23%. Non-exempt staff total benefit rate is 38.99%


4. **NIH Salary Limitation**

A notice has been issued (Release Date: March 17, 2017) regarding the Executive Level II salary limitation increasing from the 2016 level of $185,100 to $187,000 effective January 8, 2017. Please use the pending updated level for proposal budgeting purposes.

For awards issued in those years that were restricted to Executive Level II (see Salary Cap Summary, FY 1990 – FY 2016), including competing awards already issued in FY2017, if adequate funds are available in active awards, and if the salary cap increase is consistent with the institutional base salary, grantees may rebudget to accommodate the current Executive Level II salary level. However, no additional funds will be provided to these grant awards.

The NIH has not received a FY2017 Appropriation and is currently working under a Continuing Resolution. Once the Department of Health and Human Services Appropriation for FY 2017 is enacted, NIH will publish the annual Notice of legislative mandates to provide information on any statutory provisions that limit the use of NIH
grant funds in FY 2017. Additional guidance on the salary cap will also be provided at that time.

NIH Notices as they relate to continued operations under a Continuing Resolution and the applicability of the NIH Salary Limitation:

- NIH Operates Under a Continuing Resolution – NOT-OD-17-048
- Interim Guidance on Salary Limitation for Grants and Cooperative Agreements – NOT-OD-17-049

The Office of Research Administration will update the web page as soon as the appropriation is confirmed.

Please contact Rayna Amerine (ramerine@iu.edu) if you have any questions.

5. Salary Setting: Budgeting 2480 & Non-Union 2500

Salaries requests for non-union support staff should be set by the department/school. These positions include Confidential, (GS) General Supervisors, (NU) Nurses, (NA) Nursing Assistants, and some (TE) Technical positions physically located on other campuses but paid on a BL account.

The hourly rate is the basis for calculating increases for all employees that are paid bi-weekly. This also includes the PAO & PAU classifications.

Bi-weekly employees should have the same hourly rate regardless of how many accounts support their salary.

Employees can have different hourly rates only if they are paid from more than one position number.

If you have any questions, please contact Rozzie Gerstman (gerstma@iu.edu) or Patti Quimby (pquimby@iu.edu).

C. Academic and Staff Information

1. Faculty Administrators Policy (via IU Trustee Policy: June 30, 2004)

The following policy applies to Vice Presidents, Associate Vice Presidents, Assistant Vice Presidents, Chancellors, Provosts, Vice Chancellors, Vice Provosts, Associate Vice Provosts, Assistant Vice Provosts, Deans, Associate Deans, Assistant Deans, Directors and other administrative positions as identified by the Chancellors, Provost or President – who were not in one of these positions on June 30, 2004. It shall be used to determine the salary of individual who holds both a faculty and
administrative position when the individual relinquishes or is removed from the administrative position.

At the time an individual assumes both faculty and administrative positions, a memorandum shall be created that sets forth the 12-month salary of the individual. A determination shall then be made by the appointing official that establishes the portion of the salary that shall be considered the faculty component of the individual’s salary and the portion of the salary that shall be considered the administrative component of the salary. From year to year, as raises may be given, the raises shall be apportioned between the faculty component of the salary and the administrative component of the salary. These figures shall be maintained by the appointing official with a copy provided to the faculty member/administrator and to the appropriate campus faculty records office.

At such time as a faculty member relinquishes or is removed from the administrative position, the faculty member’s salary shall return to the faculty component of the salary and the faculty member shall no longer be entitled to the administrative component. In addition, the faculty component of the salary, shall revert to the ten-twelfths (10/12) of the faculty component if the individual returns to an academic year teaching position.

**Procedure**
The procedure for calculating and budgeting the faculty salary for individuals who are taking on an administrative role will have two components for their salary.

The first component is the traditional 12-month base budgeted on object code 2000. The second component is tied to the “administrative” role, which will be budgeted on object code 2000, sub-object code ADM.

**Option 1 example, for salary increases 15% or greater:**

**Step 1:**
Faculty A, $150,000/10 ($15,000/mo.) change to 12- month, becomes $180,000 ($15,000/mo.)

**Step 2:**
Official sets the “new” base to be $220,000/12 months ($18,333/mo.)

**Step 3:**
ADM to be 15% of $220,000, $33,000

**Salary View:**
Object code 2000, $187,000 [$220,000 - $33,000], 85% and Object Code 2000 ADM, $33,000, 15% ($18,333/mo.)

**RETURN to FACULTY:**
Remove ADM, $33,000
[$187,000/12 mo. ($15,583/mo.); $15,583 X 2 mo. = $31,166; $187,000 - $31,166 = $155,834]

Return to 10-month salary level, $155,834 ($15,583/mo.)

Option 2 example, for salary increases less than 15%:

Step 1:
Faculty A, $150,000/10 ($15,000/mo.) change to 12- month, becomes $180,000 ($15,000/mo.)

Step 2:
Official sets the “new” base to $201,600/12 months

Step 3:
ADM to 10% of $201,600, ($20,160/mo.)

Salary View:
Object code 2000, $181,440, 90% and Object Code ADM, $20,160, 10% ($16,680/mo.)

RETURN to FACULTY:
Remove ADM, $20,160

$201,600 - $20,160 = $181,440/12 ($15,120/ 12 mo.)

Return to 10-month salary level, $151,200 ($15,120/mo.)

2. **Salary Minima**

Faculty salary minima shall follow the campus salary guidelines in determining what the average salary increase should be. This is based on FY 2017-18 salary guidelines.

<table>
<thead>
<tr>
<th>FT1/FL1</th>
<th>$63,555.43</th>
<th>Full Professor/Librarian</th>
</tr>
</thead>
<tbody>
<tr>
<td>FT2/FL2</td>
<td>$51,979.55</td>
<td>Associate Professor/Librarian</td>
</tr>
<tr>
<td>FT3/FL3</td>
<td>$41,400.34</td>
<td>Assistant Professor/Librarian</td>
</tr>
<tr>
<td>RSP/RSX</td>
<td>$40,000.00</td>
<td>Research Scientist/Scholar and Postdoctoral Fellows</td>
</tr>
<tr>
<td>RSS/UAS</td>
<td>$37,000.00</td>
<td>Research Associate and Academic Specialist</td>
</tr>
</tbody>
</table>

3. **Staffing Adjustments**

   **All Fund Groups**

   All Fund Groups except Contract & Grant

   (a) **Vacant Positions:** Vacancies create an opportunity to examine your unit’s operational needs, if positions are not going to be filled in the near future you
should delete that position and use the base funds to reallocate to meet other priority needs. Note: Deleting the record in budget construction only removes funding. The position is still “active” until a Maintain Position e-doc is processed to change its status. If you have any questions, please contact Rozzie Gerstman (gerstma@iu.edu).

(b) **Budgeting Vacant Positions**: Vacant positions must be budgeted with the desired amount for a planned future hire, otherwise, the minimum amount for that vacancy rank is to be budgeted.

4. **Split Appointment**  
   **All Fund Groups**

When budgeting salaries for employees who are split funded between accounts, Responsibility Centers, and/or Campuses;

(a) Make contact with the appropriate individuals to discuss the distribution of salary and funding percentages for employees that you share so that everyone has the same understanding. This open communication will improve the accuracy of the salary submission and reduce the need for campus follow-up. **A new feature available in KFS allows view only access of the other portion of a split employee’s salary and percent of funding. We trust the ability to view this information will be a valuable tool for users during the salary setting process. View “New View/Report Functionality”: [https://fms.iu.edu/afb/wp-content/uploads/2016/02/AFB-Business-Practice_New-View_Report-Functionality.pdf](https://fms.iu.edu/afb/wp-content/uploads/2016/02/AFB-Business-Practice_New-View_Report-Functionality.pdf)**

When entering the salary request and percent, the amounts entered must mathematically agree based on the total salary/fte for the employee on each account.

The Total Intended field can be used as a communication tool between RC’s for split-funded employees to reflect the proposed annual salary and fte. The field can also be used for those employees whose total funding will be budgeted less than 100%.

Note: Because an employee’s benefits can be affected when their appointment drops below 100%, please contact the appropriate Human Resources office if additional guidance is needed.

Questions can be directed to Rozzie Gerstman (gerstma@iu.edu) and Patti Quimby (pquimby@iu.edu).
5. **Summer Session Allocations**
   **General Fund Only**

Where necessary, instructional RC’s are responsible for providing salary and fringe benefit increases to its summer faculty and summer SAA appointments. Use object 2010 for Salary Plan AC1, 2310 for AC2, and 2370 for AC3, AC4 & WSG.

6. **Strategic Hiring Program**
   **General Fund Only**

Strategic Hires base funding will be provided for the FY 2017-18 post-July 1, 2017. Please indicate on the hiring e-doc, place in the notes section that the hire is part of the Strategic Hiring Program. This allows us to transfer the base and current funds as soon as possible. During budget construction, budget the amount you expect to receive from the campus, use object code 2003.

7. **Dual-Career Hiring**

BL Campus funding support for approved Dual Career (Spousal Accommodation) appointments will be transferred post July 1, 2017. Cash support is based upon the **original hiring amount** per percentages outlined in the agreement. A funding pattern such as 75% Year 1, 50% Year 2, and 25% Year 3 is common, however, variations do occur. Please note on the edoc if the HIRE is Dual Career and attach any supporting documentation.

Please direct questions to Rozzie Gerstman (gerstma@iu.edu) or Patti Quimby (pquimby@iu.edu).

8. **Rudy Professors**

The Provost identify IUB Professors to receive the title of Rudy Professor. This title remains with the individual until their termination from the university. Annual funding of $10,000 will be transferred into the individual’s specific Rudy Professor (23 account) to be used for compensation or research expenses.

Please direct questions to Rozzie Gerstman (gerstma@iu.edu).

9. **Budgeting C&G Accounts**

The Salary Policy for FY 2017-18 applies to employees in ALL fund groups. Those funded in whole or in part by Contract & Grant (C&G) accounts are NOT exceptions to the policy; therefore, salary increases will be given during budget construction, not on the employee’s anniversary date.
10. Expiring C&G Accounts

Contract and Grant accounts may expire between budget construction and the KFS budget load in late June. Do not request extensions or underwrites to extend the grant account beyond July 1.

If the grant account has another year of funding which is expected to arrive prior to July 1, set the employee’s salaries using the current C&G account during budget construction. If the new account is active prior to the budget load, the system will automatically load the salaries to the new account.

If the grant funding ends prior to July 1, with no future project funds expected, the system will load the employees budgeted salaries to the department’s continuation account. ORA will review the budget construction data prior to the budget load and work with departments to resolve employees budgeted to expired projects.

Fringe benefits are not calculated on the budgeted salaries in C&G accounts.

Do not budget hourly expenses in C&G accounts.

Do not budget vacant positions or non-salary expenses such as supplies, travel, and equipment.

D. Staff Information

Budgeting Faculty Research Funding/Spending: https://fms.iu.edu/afb/wp-content/uploads/2016/02/AFB-Business-Practice_Budgeting-Faculty-Research-Funding-Spending.pdf


General Funds Details

Unbudgeted Income, Instructional RCs:

Your 2017-18 budgets must use only the income shown on the Budget Information Sheet. Use of unanticipated and unbudgeted income received during the year will not be permitted without prior approval of the Bloomington campus.

Please direct questions to Aimee Heeter (aheeter@iu.edu).

Incidental Income:
Please note, incidental income will be loaded into your accounts when budget construction is available. Income and ‘transfers in’ (9915 object code) amounts should not be changed.

Budgeting the Use of Reserves (Fund Balances):


Units must provide details regarding reserve funding. If negative reserves will be built into the budget, additional information will be required in the narrative report.

Undergraduate Fee Income for RCs:

Tuition income related to the “tuition reserve” will be distributed to the units based on the undergraduate fee income distribution model implemented in FY 2015-16. Funding will be distributed to the appropriate RCM 87 accounts.

Undergraduate Fee Income distribution is based on three years per term. One-third of the distribution is predicated on actual credit hours for 2017-18. Therefore, full distribution of fee income will not occur until after the full-refund period for 2nd 8-week courses.

1. General and Non-General Funds

(a) Budget Alignment and Sufficient Funds Checking:
    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. This approach will help avoid delays that result when transactions are rejected during sufficient funds checking.

(b) Budgeting Non-General Fund Accounts:


2. Auxiliary Accounts

Auxiliary account budgets should be realistic and constructed so that the year-end operating margin is breakeven or positive. Budgeted income should be equal to or greater than budgeted expense and the budgeted expense should include depreciation. Any budgeted loss needs prior approval from the Budgetary Administration and Planning Office. If you have any questions, please contact Julie Bauters at 5-1126.

3. Base Budget Adjustments

General Fund Only

All adjusted base changes from July 1, 2017 are reflected on the allocation sheet. This includes changes to student fee income, state appropriations and assessments.

During the year, please contact Aimee Heeter 5-0117, or Rhea Freeman 6-2736 for approval.

4. Assessments

The algorithm used for assessment costs are: total credit hours, tenure track FTE, other employee FTE; assignable square footage. University tax is calculated on the basis of net direct expenditures (3-year average). For FY 2017-18, the University Tax model is frozen based on the net direct expenditures (3-year average) used in FY17. A new algorithm for university tax assessment is pending approval post RCM review. The OBAP website (http://www.indiana.edu/~obap/)

If you have any questions, please contact Aimee Heeter 5-0117.

E. Student Information

1. SAA and Fellowship Health Insurance

All Fund Groups

Academic RC’s are expected to cover the SAA health insurance premium for eligible student academic appointees and fellowship holders who are funded in BOTH general
and non-general accounts. A Campus account will cover the SAA health insurance premium for eligible student academic appointees and fellowship holders paid from GENERAL accounts for Support RC's. Support RC's must budget funds to cover charges to their applicable NON-GENERAL fund accounts only. Use object code 5610 for this purpose. Object Code 5610 will be used for both Fellowships and SAA’s for FY 2017-18.

The Student Health Insurance Plan is mandatory for all Student Academic Appointees (SAAs) who are appointed at: (1) 37.5% FTE for the Fall and/or Spring Semesters, and Fellowship Recipients with an award of $3609 or more per semesters for FY 2017-18. All SAAs and Fellowship Recipients must be enrolled in a minimum of six credit hours or G-901 each semester (Summer sessions excluded). Premiums for SAAs and Fellowship Recipients are fully subsidized by the University or external granting agency.

In FY 2014-15 plans for SAAs and Fellowship Recipients transitioned from fiscal year to calendar year. 2018 premiums will not be known until August or September; however, units should anticipate a 6% increase in premiums for calendar year 2018. The rates to budget for FY 2017-18 are listed below with Spring 2018 as an estimate only. For further information go to: http://hr.iu.edu/benefits/GA-medical.html Note that although premium rates are currently the same for SAAs and Fellowship Recipients, they are on two separate plans so there is no guarantee rates can be kept the same between the two groups.

The semester breakdown for FY 2017-18 is:

<table>
<thead>
<tr>
<th>SAA-FEL 2017-18 Premium Rates</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2017</td>
<td>$1,280.73</td>
</tr>
<tr>
<td>Spring 2018</td>
<td>$1,900.64</td>
</tr>
<tr>
<td>Total</td>
<td>$3,181.37</td>
</tr>
</tbody>
</table>

2. Stipends for Student Academic Appointees
   All Fund Groups

FY 2017-18 minimum rates, $9,625.00 for 10 months (AY) for 0.50 FTE (20 hrs./per week).

3. Matching Programs
   Matching the Promise
   Bicentennial Campaign
   Overseas Studies

Budget only if the match begins July 1, 2017 or is currently being matched. Budget the match from the campus in 9915 negative amount, if you plan to spend the interest
income at IUF budget as revenue using object code 1179. The match funds will be budgeted under object code 9958.

Please direct questions to Rozzie Gerstman (gerstma@iu.edu).

F. Miscellaneous Information

1. IU Tuition Benefits (Fee Courtesy)

The fee courtesy file for FY 2017-18 will be posted to the CATS Knowledge Base when available (see link below). This data was obtained from CSF tracker position information reflected in FY 2014-15. The non-general funds accounts will be charged using object code 9956, sub-object code DFC. These amounts should be budgeted within the accounts as listed to accommodate the fee courtesy batch billing which will be initiated in July or August 2015.


2. Parking Charge for AFSCME Employees (object code 4210)

All Fund Groups

Employees covered by the AFSCME union are entitled to a free EMS permit, or the equivalent value applied towards the purchase of an EMP permit. To cover this benefit, departments are charged a fee of $142 per AFSCME employee. The charge is processed once a year, in the Fall, on a service billing document.

3. Postage

All Fund Groups

First-Class letters up to 1 ounce will remain at 49 cents.

Postcard postage will remain at 35 cents.

There may be a variety of rate changes for other mailing services, including standard mail, periodicals, packages, and extra services.

For a complete listing of all the rates in effect, please visit the following link: http://www.stamps.com/usps/postage-rate-increase/

If you have any questions, please contact Mail Services at 855-3503 or iumail@indiana.edu.
4. Travel Allowances (object codes 6000-6280)
   All Fund Groups

Effective January 1, 2017, all fund groups except 47 accounts are reimbursed at $.54 for the first 500 miles and then $.27 from mile 501 through 3,000. This information can be found at:
http://www.indiana.edu/~travel/traveling/travelingbycar.shtml#mileage

Effective May 1, 2011, all 47 accounts are reimbursed at $0.44 for the first 500 miles and then $0.22 from mile 501 through 3,000.

See the Travel Management Web Site (http://www.iu.edu/~travel/) for more information.

5. Minor Repairs & Maintenance (object code 4700)
   All Units
   All Fund Groups

If facility repairs or maintenance are planned for FY 2017-18, they should be budgeted. Funds to cover these costs should be reallocated within your FY 2016-17 available resources. Repairs and maintenance amounting to $75,000 or less need to be budgeted for in object code 4700. These types of repairs are primarily intended to improve the aesthetic look of space or are “maintenance” of space. This includes painting a room, small area carpet replacement, replacement of consumables, or localized repartitioning etc. Note: VPCPF approval of these types of projects is necessary before the project can move forward.

6. Repairs and Rehabilitation (R&R)
   Auxiliary Units Only
   Non-General Fund Groups

Any auxiliary enterprises 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).

Detailed schedules were sent to each campus in March.
Contact Auxiliary Accounting at auxacct@iu.edu with any questions.
7. Equipment
   All Fund Groups

Capital equipment purchases are equipment items with an acquisition value of at least $5,000.00 and a useful life of one year or greater. For equipment meeting these capitalization criteria use the following object codes:

7000 Capital Equipment
7015 Computer Equipment

Other costs such as installation, freight/shipping, and training should also be capitalized with equipment purchases over $5,000. If the equipment purchased meets the capitalization criteria, then these costs should also be coded to object code 7000 or 7015.

Warranties, maintenance agreements and software licenses should NEVER be capitalized with equipment. These purchases should always be expensed to object codes 4776 or 4616.

Please refer to Standard Operating Procedure CSOP 8.0 Capitalization of Movable Equipment for detailed guidelines relating to the capitalization of moveable equipment and object code assignment:

If you have any questions, please email capasset@iu.edu.

8. Fire and Casualty Insurance
   All Fund Groups

You will find the Fire and Casualty Insurance information in the knowledge base of the CATS web site: http://www.indiana.edu/~cats/kb/G-K/insurance-rates-fire-and-casualties_bc.php

9. UITS Rates for Direct Billing
   All Funds Groups

For FY 2016-17 UITS Rates are not available as of the date of this document, refer to http://uits.iu.edu/page/apjw for viewing the updated rates when available.

10. Life Cycle Funding for Desktop Equipment
    General Fund Only

IU maintains full life cycle funding for faculty and staff desktop computers, servers, and peripheral equipment for units supported by general funds. Desktop lifecycle
replacement funding should be budgeted using object code 9940, sub object code LCF, rather than 5216 as has been used in prior years.

Operational details in FY 2017-18 will be the same as in FY 2006-07. During FY 2017-18, you will be required to transfer funds from your 10-XXX-98 account into your 92-XXX-98 equipment replacement account either (a) when funds will be spent; or (b) no later than June, regardless whether the funds will be spent before the end of the fiscal year or accumulated for future use. All unspent funds in the equipment replacement accounts will be carried forward to the next year. If you have questions about this, please contact Rozzie Gerstman (gerstma@iu.edu) at 5-1123.

11. Employment Eligibility Verification and Background Checks--Object Code 4871

From I-9/Employment eligibility verification (EEV) and criminal background checks for IU employees must be completed utilizing the web-based enterprise system, GIS. In addition, criminal background checks are required for some students and volunteers.

Departments are charged for criminal background checks. The base cost for each criminal background check is $20.00. The actual cost to the department may be higher due to additional charges, such as ordering an education report, court fees, state required notifications, etc. Larger units should take this into consideration when formulating their budgets. The criminal background check includes a criminal history and Sex & Violent Offender registry checks. The cost of the Form I-9/EEV checks is included in the criminal background check charge. There is no separate charge for the Form I-9/EEV process.

Additional information regarding criminal background checks and the Form I-9/E-Verify process can be found on the UHR website at: http://hr.iu.edu/eev/

In addition to the above, note the policy pertaining to Indiana University programs that involve children: http://policies.iu.edu/policies/categories/administration-operations/public-safety-institutional-assurance/PS-01.shtml

12. **President’s Fund**

Continue to budget in the President’s Fund in the respective RC 10-XXX-87 account, under object code 9977, sub object to be used is PFU. Note that the amount previously budgeted remains the same for FY 2017-18.

Ask Rozzie Gerstman (gerstma@iu.edu) if there any questions.
13. Faculty Endowment Match Program

Each unit has the responsibility of providing matching funds for endowed chairs or professorships. Matches must be made on accounts that have received contributions. In cases of an irrevocable deferred bequest, matching funds will be provided once all signatures are in place and the agreement becomes effective. Units receive a report from the UBO that provides information about the amount of matching funds that should be budgeted (Object code 9915-PRS and Object code 9915-SCH). In cases where accompanying funds exist at the foundation, the units will also be apprised of the projected amount of income they may budget in Object code 1179.

G. Documents Needed By Campus Before You’re Done

1. Budget Construction Documents

The “Budget Construction Reference Guide” can be found at the following URL: https://fms.iu.edu/files/6714/0061/4076/Budget-Construct-KFS-Training-Doc.pdf

The “Budget Construction Import Guide” can be found at the following URL: https://fms.iu.edu/files/9914/0061/4075/Budget-Construction-Import-Guide.pdf

The Budget Construction website (Allocation Sheets, Guidelines) can be found at the following URL: https://apps4.indiana.edu/VPGA_BudgetConstruction_V1_Online/Default.aspx

KFS Import Templates: https://fms.iu.edu/training/kuali-financial-system/kfs-templates/


2. “Reports to Run BEFORE you say you’re done…”

Location- Budget Construction Selection Screen, org report/dump, use the Organization Sub-Tree and the Action arrows to locate your school/org

List 2Plg – 2plg is a mechanism that temporarily keeps the account’s budget in balance during salary setting. Open the account(s) and determine if you need to
adjust the budget, and then delete the 2plg entry. All plg entries must be deleted prior
to the RC being pulled up by the campus.

Payroll Synchronization Problems- this report reflects instances where information in
PeopleSoft no longer agrees with the information in Budget Construction. Example:
a Maintain Position E-doc processed which changed an attribute of a position already
budgeted in BC.

3. Planned Use of Reserves and Budget Narrative

1. For FY 2017-18, please provide:
   a. Details in Budget Narrative (see below)
   b. Planned Uses of Reserves for FY 2017 (update)
   c. Planned Uses of Reserves for FY 2018
   d. 

2. For the FY 2017-18 Budget Narrative include the following:

   a. Overall comparison between FY 2018 and FY 2017. What opportunities
      and issues might you face in the upcoming fiscal year?

   b. Increase operating efficiencies or upcoming changes for the next fiscal
      year. What do you have planned, and the overall impact to the budget.
      This can be on the academic/administrative side. If there are increases in
      lines (such as S&E), what is the purpose and the overall outcome
      expected.

   c. Student Affordability & debt. If applicable, what changes have you made
      to financial aid, and/or other student funding.

   d. Specific Changes between FY 2017 and FY 2018 budget. Has your unit
      changed budget significantly in order to (1) align closer to expectations, or
      (2) implemented a new methodology of budgeting? If yes, please provide
      some information and details.

   e. Please provide a discussion to student fee income. This can include rate
      increases, enrollment changes, major shifts.

   f. Please provide details on any significant changes to ICR and/or
      expectations moving through FY 2018.

   g. Details on negative budgets. Please include the account number, account
      name, object code, sub-object (required) and amount. In addition, please
      provide a general description of the purpose and coverage/reduction
      during FY 2017-18.
h. Details on new transfer-in budgets on the General Fund. For FY 2017-18, the campus is testing the utilization of transfer-in on the general fund during budget. Please provide the corresponding account number/object code for any new transfer in your budget. This can be GF to GF or DS to GF, etc. Please include the account number, account name, object code, sub-object (required) and amount. In addition, please provide a general description of the purpose and or the income source.

i. Please provide a brief summary of your RC salary-setting strategies and indicate how the strategies align with the goals of Indiana University. 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 established salary structures.

All planned uses and narratives should be submitted to Aimee Heeter (aheeter@indiana.edu) by May 31, 2017

4. Documents Requested by Campus

- Please provide supporting documentation to Rozzie Gerstman for any reason codes for professional staff and faculty for any salary increase 8% or above, or for no salary increase.
- Planned Uses of Reserves
- RC Budget Narrative

Deadline for submission of your budget is **Monday, May 29, 2017**

Deadline for submission of the Narrative is **Wednesday, May 31, 2017**
### Employee Benefit Calculation Percentages

<table>
<thead>
<tr>
<th>Employee Category</th>
<th>Object Code(s)</th>
<th>Group Insurance/ Benefits</th>
<th>FICA</th>
<th>Retirement</th>
<th>Total</th>
<th>Rate</th>
</tr>
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<tbody>
<tr>
<td><strong>ACADEMIC:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Exempt</td>
<td>2000, 2005, 2008, 2280, 2288</td>
<td>20.10%</td>
<td>6.85%</td>
<td>13.28%</td>
<td>40.23%</td>
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<tr>
<td>Retirement Ineligible (Summer)</td>
<td>2010</td>
<td>20.10%</td>
<td>6.85%</td>
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<tr>
<td>Overload</td>
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<tr>
<td>Admin. Supplement</td>
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<tr>
<td>Residents</td>
<td>2290</td>
<td>6.85%</td>
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<td>6.85%</td>
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<tr>
<td><strong>OTHER ACADEMIC:</strong></td>
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<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Non-student</td>
<td>2300 through 2310</td>
<td></td>
<td>6.85%</td>
<td></td>
<td>6.85%</td>
<td></td>
</tr>
<tr>
<td>Student</td>
<td>2331 through 2391</td>
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<td>0.00%</td>
<td></td>
<td>0.00%</td>
<td></td>
</tr>
<tr>
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<tr>
<td>Exempt</td>
<td>2400, 2405, 2408</td>
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<td>6.85%</td>
<td>13.28%</td>
<td>40.23%</td>
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<tr>
<td>Non-Exempt</td>
<td>2480, 2488</td>
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<td>6.85%</td>
<td>13.28%</td>
<td>40.23%</td>
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<td>Overload</td>
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<tr>
<td>Terminal Pay</td>
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<td><strong>NON-EXEMPT STAFF:</strong></td>
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<tr>
<td>PERF &amp; Retirement Savings Eligible</td>
<td>2500, 2504</td>
<td>20.10%</td>
<td>6.85%</td>
<td>12.04%</td>
<td>38.99%</td>
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<td>Casual Temporary</td>
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<td>Casual Temporary Overtime</td>
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<tr>
<td>PERF &amp; Retirement Savings Temp</td>
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<td>6.85%</td>
<td>12.04%</td>
<td>18.89%</td>
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<td>PERF Staff Premium</td>
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<td>6.85%</td>
<td>12.04%</td>
<td>18.89%</td>
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<tr>
<td>PERF Staff Overtime - Exempt</td>
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<td>6.85%</td>
<td>12.04%</td>
<td>18.89%</td>
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<tr>
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<td>6.85%</td>
<td>12.04%</td>
<td>18.89%</td>
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<tr>
<td>PERF Staff Work Hours</td>
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<td>12.04%</td>
<td>18.89%</td>
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<tr>
<td>Student Temporary</td>
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<td>Supplemental Pay</td>
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<tr>
<td>Foreign Honorarium</td>
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<td>Retired Supplemental/additional student pay</td>
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<tr>
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<td>4590 through 5821</td>
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<td>0.00%</td>
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