
FY 2017 Budget Guidelines

WHAT'S NEW FOR FY 2017

- **Dates:** Phase I-Lump Sum Budget Process will run from Friday, Feb 5, until Friday, Feb 19, 2016. Phase II-Salary Budget Process will run from Tuesday, July 5 through Friday, July 29, 2016. For further details, please reference the [FY2017 Budget Calendar](#) on the Budget & Planning website.
- **Merit:** A 3% merit program has been proposed pending final approval by the Board of Regents. Also, pending Board approval, an additional 1% merit equity program has been proposed. Merit is intended to reward performance and should not be allocated across the board. Merit equity is also intended to reward performance while addressing retention, equity, and compression issues.

As in the past, central funding will be provided for salaries sourced on E&G, Designated Tuition and University Advancement Fee accounts for the 3% merit. The merit equity portion must be funded through internal sources.

Merit (both regular merit and merit equity) increases should be budgeted in the Unallocated Merit – Faculty or Unallocated Merit – Non-faculty Category in Phase I. In Phase II, merit increases should be applied in Recommendation 2 in the BPP Prep Template or manually in BPP. Merit equity increases will have no effect on regular equity increases and do not need to be approved by Human Resources.

- **Classification-Compensation Standardization Project:** Effective September 1, 2016, all members within the Texas A&M University System will implement a system-wide classification and compensation program that will include standardized titles and pay plans for non-faculty (staff) positions. Any financial impact of the new program will be budgeted centrally during Phase I. Further details on implementation of this program will be announced as they become available.
- **Vacant Positions:** Salary savings will continue to be reallocated to central accounts in FY 2017. Also, only approved non-academic staff positions will be allowed to be eliminated in the BPP Prep Template or manually in BPP.

Continuing into FY 2017, Intent to Fill Requests must be approved by the Provost or appropriate Vice President before a new position may be filled. If new or returned central funds are requested, Presidential approval is needed. If funding internally, no additional approval is needed.

In addition, departments may continue to request reimbursement each quarter for costs associated with staffing positions on a temporary basis (through hiring external assistance, compensating existing employees on an overtime basis, or other means). The Salary Savings Reimbursement Form may be found [here](#).

- **Working Hours:** There are **2088** working hours in FY2017.



GENERAL BUDGET GUIDELINES (FAQ's)

What accounts do we budget?

1. Accounts that will have expenses in the next fiscal year
2. Accounts that receive a budget allocation or transfer must be budgeted.
3. You may judge for materiality.

What FAMIS Fund Groups are budgeted?

1. Educational & General Funds (E&G): 1xxxxx
2. Designated Funds and Service Departments: 2xxxxx
3. Auxiliary Enterprises: 3xxxxx
4. Restricted Funds
 - a. Contracts & Grants: 4xxxxx
 - b. Gifts: 5xxxxx
 - c. Scholarships: 6xxxxx

Although restricted accounts are budgeted, their budgets do not feed to FAMIS accounting. In general, expenses budgets in these accounts are generated as revenues are earned. Conference and Short Course account budgets (25xxxx) do not feed to accounting.

What Screens do I use in FAMIS during the Budget Process?

1. Budget entry is done using Screen 599 for each account. Remember to “submit” your budget when you are done. Your budget doesn’t become “official” until it is submitted.
2. Inquiry on submitted budgets is done using Screen 540.
3. Allocations or transfers between SL accounts may be made using Screen 562.
4. Inquiries on allocations or transfers is made using Screen 541. You may see both sides of the transaction by changing the “To” and “From” field.
5. During Phase II, it is recommended that inquiries into submitted budgets begin on Screen 540 and salary changes in BPP may change the version name of your submitted budgets.

Can I increase or decrease my budget in Phase II?

1. Although budgets by account may change during Phase II as allocations and transfers are made, the total budget by your department/organizational level must match what was budgeted in Phase I.
2. This includes Beginning Balance, Total Revenues, Total Expenses, and Ending Balance.
3. It is very important that all anticipated expenses and sources of funding are budgeted in Phase I.

Where can I go for help?

1. There are resources available, including more extensive training, on the Budget & Planning Website: budget.tamu.edu
2. Contact the Office of Budget & Planning by phone 845-8145 or e-mail: budget@tamu.edu



DELEGATION OF BUDGET AUTHORITY

Texas A&M University has a decentralized budget and has delegated budget authority down to division and departmental levels. Department Heads should annually review those users who have update access to FAMIS Budget Module screens, especially if an employee(s) has resigned or transferred to another department. New budget users must have Department Head approval to receive budget update access in FAMIS.

It is up to each division/department to adequately document the proper approval of all budgets that are entered into FAMIS. This will ensure that proper authority and documentation exists for audit purposes.

THE BUDGET PROCESS

Phase I: Board Budget

Lump sum amounts for budgeted beginning balances (if applicable), revenues and expenses are entered into the FAMIS Budget Module by account.

Central university allocations will be made prior to the opening of Phase I and users will be notified of the amounts. Check with your appropriate budget administrator of internal and departmental transfers.

[Budget Worksheet \(Form 908\)](#), a downloadable excel document, may be helpful in preparing lump sum budgets during Phase I.

Upon completion, the Board Budget is submitted to the Board of Regents for approval and becomes the official Texas A&M University Budget.

Phase II: Done or Operating Budget

Individual salary recommendations are entered into BPP by Position Identification Number (PIN) either in the BPP Prep electronic feed template or manually into the BPP Prep Budget. These new salaries are then fed back to FAMIS and may cause the lump sum amounts to change by category, but the Phase I and Phase II budgets must remain in balance in total.

Prep Salary Reports will be made available to budget administrators in Phase II so that salary recommendations may be verified. It is also important to check FAMIS budgets to ensure that everything is still in balance and there are no negative budget categories.

Departments requiring BPP manual data entry assistance may contact the Office of Budget & Planning or Payroll Services for assistance.

The Phase II Operating Budget is loaded into the accounting module for the next fiscal year. The Phase II Prep Budget becomes the beginning active payroll budget for the next fiscal year.



ACCESS TO FAMIS BUDGET SCREENS

Phase I and Phase II

- Recurring FAMIS Budget Module Access:
 - Current users who had update access to the FAMIS Budget Module screens in the previous year will automatically have their update access turned on prior to the beginning of Phase I. If you have changed departments since last year, you may need to submit a new [FD-805: Financial Systems Access Request Form](#) to make sure you have update access for your new department. Any access difficulties should be reported to FAMIS Training & Security directly at 458-5555 or fmo-fts@tamu.edu.
- First-time FAMIS Budget Module Access:
 - For users who will be accessing the FAMIS Budget Module for the first time, please submit the [FD-805: Financial Systems Access Request Form](#). List the DEPTS for which you are requesting budget access in Section 4 and return to FAMIS Training & Security at the address/e-mail listed. Please do not return to the Office of Budget & Planning.

ACCESS TO BPP PREP SCREENS

Phase II

Everyone is again encouraged to use the BPP Prep Upload template to input their salary changes in BPP during Phase II. However, manual entry into BPP Prep will be available if needed. **The deadline for requesting BPP Prep Access is noon on Monday, June 20, 2016.**

- Recurring BPP Prep Access:
 - Current users must request update access to BPP Prep Screens by sending an e-mail to payroll@tamu.edu to the attention of Danny Grimes or Laura Quirino. Please note "Prep Budget Access" in the subject line of the message.
- First-time BPP Prep Access:
 - For users who will be accessing BPP Prep for the first time, please submit a [BPP Statement of Responsibility](#) to the Texas A&M University Payroll Services at Mail Stop 1261 or payroll@tamu.edu.
- Further BPP Update Access instructions are available on our website: [Prep Budget Access for Entry of Data into the Payroll System](#)

NEW FAMIS ACCOUNTS

If new FAMIS accounts are needed for the FY 2017 Budget, please submit a [New Account Request](#) to Financial Management Operations. Please submit your requests as early as possible as time is limited during the budget process. Also, new accounts that will be funding salaries in Phase II, please contact [Payroll Services](#) to have the account set up in BPP. If you do not see any budget categories on your new account in FAMIS, contact the Office of Budget & Planning to add a budget pattern.

BUDGET CATEGORIES

The following list of budget categories will be used on FAMIS Screen 599 to enter FY 2017 budgets.

SL BEGINNING BALANCES

Users are encouraged to budget their estimated September 1, 2016 beginning account balances on Service Department and Auxiliary accounts. This policy is also recommended for other local accounts where reserve balances will be used in funding FY 2017 expenses.

Beginning balances on centrally-allocated accounts [Educational & General (E&G), Designated Tuition, Differential Tuition, University Advancement Fees (UAF), Available University Funds (AUF)] roll over from the previous fiscal year, so beginning balances should not be budgeted on these accounts.

For guidance on whether or not to budget a beginning balance on a specific account, please contact the Office of Budget & Planning for assistance.

REVENUES

Estimates of income should be made on a realistic basis, taking into consideration the projected enrollment for the budget year, and other factors affecting individual departmental operations. These estimates will be reviewed for reasonableness before being finalized.

1. **State Appropriations and Tuition & Fees:** State Appropriations, State Statutory, Designated and Differential Tuition, and University Advancement Fee revenues will be budget centrally and allocations will be made to colleges/departments.
2. **Fees:**
 - a. Other Mandatory Fees (Health Center, Recreational Sports, Student Center)
 - i. Use 1,500,000 semester credit hours for fees charged by the semester credit hour or a headcount of 126,100 (Fall 55,800; Spring 52,300; Summer 18,000) for fees charged per semester.
 - ii. Remember to consider the impact of the Hazlewood Act and its effects on revenue.
 - b. Program Fees and other miscellaneous fees should use their internal projections for their revenue budgets.
3. **Waivers & Exemptions:** These revenue categories are budgeted centrally by the Office of Budget & Planning.
4. **Contracts & Grants:** Include a realistic estimate based on historical trends and information on future activities. For OSRS-administered accounts, revenues must be budgeted at the base or '00000' level and expenditures at the non-base or 'xxxxx' level.
5. **Gifts:** Include a realistic estimate of gifts based on historical trends and known information on future gifts.



6. **Student Financial Assistance:** These revenues include estimates of Pell Grants and other student financial assistance awards and are budgeted centrally by the Office of Budget & Planning.
7. **Sales & Service:** Please include a realistic estimate of revenues based on historical trends and information on future activities.
 - a. All designated service department accounts are required to be included in the operating budget. Designated service department accounts will be submitted for Board approval as a separate agenda item.
8. **Investment Income:** For departments receiving interest income, earnings should be calculated at 1.5% of the average monthly balance.
9. **Miscellaneous:** This category should be used for miscellaneous revenues that do not fit into any of the above categories.
 - a. Examples include fines, penalties, forfeitures, and collegiate licensing revenues.
10. **Other Non-Operating:** This category is used for royalty income.

BUDGETED EXPENDITURES

All departments must ensure budgeted expenditures do not exceed estimated funds available (Beg Balance + Revenues + Net Transfers). In self-supporting activities, total funds budgeted shall not exceed realistic departmental estimates of income and balances brought forward. Caution should be used in budgeting balances brought forward as these budgets must be sustainable in future years.

1. Salaries

- a. In developing these amounts, the applicable appointments should be split between accounts and/or fund groups, based on effort. This will ensure consistency with actual results, and thus, compliance with federally required cost allocations in computing the Texas A&M University Indirect Cost Rate.
- b. Budgeted salaries should be entered as Salaries Non-Faculty or Salaries Faculty, as appropriate.
- c. As indicated previously, Phase I consists of lump sum salary budgets, while Phase II will include individual salary increases.
- d. GAR/GANT: This category includes Graduate Assistants in Research or Non-Teaching positions. This is a lump sum amount that carries over into Phase II as grad positions salary adjustments are not included in the BPP Prep Budget.



- e. GAT/GAL: This category includes Graduate Assistants involved in teaching/lecturing. As in GAR/GANT, this is a lump sum amount that carries over into Phase II as grad positions salary adjustments are not included in the BPP Prep Budget.
- f. Summer Teaching: This is a lump sum amount that sets aside funding for faculty in summer teaching positions.
- g. For salaries paid on Contract & Grant accounts, please see Attachment 1.

2. Unallocated Salaries

- a. Faculty Promotions:
 - i. Funds have been provided for salary increases for promotions in faculty rank based on 5% of the current 9-month salary of the individuals being promoted. Colleges may supplement these funds from internal sources.
 - ii. In Phase I, these funds should be budgeted in Unallocated Salaries - Faculty.
- b. New Positions (Faculty & Non-Faculty) and Title Changes for Existing Non-Faculty Positions:
 - i. New positions and title changes for existing non-faculty positions must have advance written approval through administrative channels for that division.
 - ii. All requests must demonstrate how the increases will be funded from existing allocations within BPP and are sustainable in future years.
 - iii. Approved increases should be made effective no earlier than September 1, 2016.
 - iv. With the exception of research titles, new existing non-faculty positions may be reclassified and new non-faculty positions added to the budget, only after the appropriate approval has been issued by Human Resources.
 - v. If the position has not received final approval, the salary amount should be budgeted in the appropriate **Unallocated Salaries** category.
- c. Equity/Retention Adjustments
 - i. In some cases, equity adjustments may be necessary to address gender and ethnic disparities, internal salary compression or high external demand for both faculty and staff. These should be made from existing funds available to the department.

- ii. All equity adjustment requests must be supported by strong evidence of necessity and should be budgeted in the appropriate Unallocated Salaries category for Phase I purposes.
- iii. Non-faculty equity adjustments must be reviewed and approved by Human Resources prior to being submitted to the Vice President or Provost for approval.
- iv. All equity adjustments must have Provost or Vice President approval in advance, must be sustainable in future years, and should be made effective no earlier than September 1, 2016.

3. Unallocated Merit

- a. A merit award is defined as an increase in recognition of meritorious job performance but is not associated with a promotion or a change in job title resulting from a demonstrable, substantive change in job duties.
- b. To be eligible for a merit award, an employee must have been employed for the six months immediately preceding the effective date of the merit salary increase, and six months have elapsed since the employee's last merit salary increase or lump sum merit payment (See [University Rule 31.01.01.M7](#), Employee Compensation Administration for further information).
- c. To receive a merit increase, an employee must have demonstrated meritorious performance as documented on a current year, formal performance evaluation with an "Achieves" or higher overall rating (or equivalent language in modified performance evaluation forms approved by Human Resources) that has been conducted in accordance with university rules.
- d. Although not required for FY 2017 merit awards, it is recommended that an employee's compliance status with required employee training be taken into consideration when determining merit awards.
- e. A merit award may be given as a combination of a merit salary increase and a one-time lump sum merit payment with the same effective date.
- f. Merit increases for individuals exceeding ten percent (10%) require documented approval of the Provost or appropriate Vice President.
- g. Each ADLOC will receive notification of the total amount of Merit Awards they have authority to grant.
 - i. Faculty Merit Increases: For FY 2017, merit increases for faculty should not exceed an aggregate average of **the approved merit percentage** for each college (excluding promotion, one-time merit and equity increases) of the Budgeted Faculty positions that are eligible for merit raises, as defined above.

For Phase I purposes, these funds should be budgeted in the **Unallocated Merit – Faculty** category.

- ii. **Staff Merit Increases:** For FY 2017, merit increases for staff should not exceed an aggregate average of **the approved merit percentage** for each college or division (excluding promotions, one-time merit or equity) of the Budgeted Non-Faculty positions that are eligible for merit raises as defined above. For Phase I purposes, these funds should be budgeted in the **Unallocated Merit – Non-Faculty** category.
- iii. Consistent with previous years, merit increases awarded during Phase II, aggregated at the division level, will be reviewed to verify total merit dollars are within the unit’s available merit authority.

4. Longevity Pay

- a. Sufficient amounts should be budgeted to cover the estimated fiscal year’s expenditures in the lump sum item Longevity Pay in each salary paying account in the following fund groups: Designated (including Service Departments), Auxiliary, and Restricted Funds.
- b. Longevity Pay for accounts funded from General Revenue (12xxxx through 16xxxx) will be budgeted in a special account to be centrally administered, and no action is required.
- c. Longevity pay shall be paid to eligible employees at the rate of \$20 per month for each two years of lifetime service credit. The maximum monthly longevity amount caps on the 42nd year of service or a maximum of \$420/month.

5. Wages

- a. This category includes student workers, temporary part-time employees, termination lump sum payouts, and supplemental compensation.
- b. Minimum wage for student workers and other temporary employees in FY 2017 is \$7.25 per hour.
- c. In addition, this category will contain anticipated overtime costs for both wage and classified positions. Wage and classified employees who work in excess of 40 hours per week must be compensated at 1.5 times their regular rate of pay, unless the extra hours worked are banked as compensatory time.

6. **Fringe Benefits:** Guidance below applies specifically to self-supporting activities (Service Department, Designated Fund, Auxiliary Enterprises, and Restricted Fund accounts). E&G and certain designated accounts are considered fringe-bearing and therefore the fringe benefits are paid centrally by the university.



- a. **Retirement:** Membership in the retirement system (TRS and ORP) will begin at the time of employment. Budgeted benefits for retirement should include employer contributions only. The employment of any new retirees will require the employer to fund the cost of BOTH the employee and employer retirement contribution amounts. This increased employer cost does not apply to retirees who were employed before September 1, 2005.

<i>System</i>	<i>Rate</i>
TRS	6.8%
ORP	6.6% for those hired on after Sept. 1, 1995 8.5% for those on the state payroll as of Aug. 31, 1995

- b. **Social Security and Medicare Tax - FICA (Employer's Matching Portion):** Includes Old Age and Survivors Insurance (OASI) and Old Age Health Insurance (OAH). Graduate and undergraduate students (at least 1/2 time status) will be exempt from OASI and OAH withholdings and matching.

<i>Calendar Year</i>	<i>OASI (Soc Security)</i>	<i>OAH (Medicare)</i>
2016	6.2% up to \$118,500	1.45%
2017	6.2% up to \$119,500	1.45%

- c. **Workers' Compensation Insurance (WCI):** The rate will be .0015 (.15%) of all salaries and wages.
- d. **Unemployment Compensation Insurance (UCI):** The rate will be .0009 (.09%) of all salaries and wages.
- e. **Accrued Compensable Absences Payable (ACAP):** The rate will be 1.01% for all leave eligible salaries. Beginning in FY 2017, ACAP will be paid centrally on fringe-bearing accounts.
- f. **Group Insurance Premiums (GIP):**
 - i. Only regular employees and students admitted to a graduate program and who are appointed to budgeted positions with titles of Graduate Assistant Teaching, Non-Teaching, Research, and Lecturer will be eligible to receive contributions toward insurance premium payments.
 - ii. Eligibility for these graduate students requires employment for at least 20 hours per week for a period of at least 4 ½ months. A regular employee is defined as one who is budgeted by name for 50% or more time for at least 4 ½ continuous months, excluding students other than those described above holding positions for which student status is a requirement.
 - iii. For joint and/or split positions, the monthly contribution will be prorated between accounts and/or parts of the system.



- iv. Because of the mandate from the Affordable Care Act, departments will be required to cover an additional month of group insurance premiums for new employees after their 60th day of employment on non-fringe bearing accounts.
- v. Auxiliary Retiree GIP assessments will remain at \$1,500/FTE

Employer Group Insurance and Basic Life Rates:

	<i>Full Time</i>	<i>Part Time</i>
Employee Only	586.98	293.49
Employee + Spouse	877.66	438.83
Employee + Children	790.46	395.23
Employee + Family	993.92	496.96
Waiver	293.49	146.75

BUDGETED OPERATING EXPENSES (NON-PERSONNEL)

1. **Utilities**
 - a. Budget guidance on utility billings should be directed to Yasuko Sakurai, Manager of Utilities Analytical Services. Email: ysakurai@tamu.edu; Telephone: 845-1055.
 - b. More information can be found at the [Utilities Website](#).
2. **Scholarships and Fellowships:** This category only includes scholarship and fellowships related to Texas A&M students.
3. **Capital (8XXX)**
 - a. Capital assets are items whose value is \$10,000 or greater AND have a useful life of greater than one year. This includes equipment, furniture, software, licenses (intellectual property), etc.
 - b. Building purchases, construction and improvements can be capitalized; however, building maintenance and repair that does not extend the usual life of the building should be expensed and not capitalized.
 - c. Contact the Office of Budget & Planning for further guidance.
4. **Operations and Maintenance:** This category includes items such as travel, supplies, communication expenses, services, maintenance & repairs, non-capital equipment, and any other non-personnel related expenses.



BUDGET CONTACT INFORMATION

Contact Person	Phone	E-Mail	Area of Expertise
Mark Herzog	862-2371	herzog@tamu.edu	General budget questions, FAMIS budgets in Phase I and II
Shelly Janac	458-2882	s-janac@tamu.edu	General budget questions, BPP Prep in Phase II, capital budgeting
Tracy Foster	862-2364	tfoster211@tamu.edu	Revenue forecasts & projections
Katy Pleasant	862-1732	katy.pleasant@tamu.edu	Revenue forecasts & projections
Martha Weeks	845-8106	msweeks@tamu.edu	General budget questions, debt service
Deborah Wright	862-7777	deb-wright@tamu.edu	Overall TAMU Budget
Tamra Young	862-4573	tryoung@tamu.edu	Assistant to Deborah Wright

Budget Hotline: 845-8145

Budget E-mail: budget@tamu.edu



ATTACHMENT 1: PROJECT ZERO

Project Zero: refers to a situation where a future contract or grant is planned but the source of funding has not been established and personnel costs need to be budgeted.

- a. Project Zero Project Zero is a restricted, non-paying, encumbrance account that provides a placeholder for budgeting estimated income for future payroll commitments
- b. Each Project Zero account will be designated by department/college/center/institute at the support account level
 - 1) Project Zero (400000-xxxxx) - Projects and/or anticipated future projects awarded to Texas A&M University.
 - 2) TAMRF BPP (455124-00000) - Projects and/or anticipated future projects awarded to The Texas A&M Research Foundation
 - 3) Contact the Office of Vice President for Research for further details.