Texas A&M University  
1181 TAMU  
College Station, TX 77843-1181  
(979) 862-7777  
FAX (979) 862-7778  
E-Mail: sueredman@tamu.edu  
http://finance.tamu.edu/  

K. Sue Redman  
Senior Vice President and Chief Financial Officer  

July 19, 2004

TO: Vice Presidents, Associate and Assistant Vice Presidents, Associate and Assistant Provosts, Deans, Directors, and Department Heads

FROM: K. Sue Redman


Budget Salary Recommendation Forms 900 for your administrative location are available today. These forms, which reflect your budget data as contained in the BPP Payroll database on July 15, 2004, should be used to submit your salary recommendations for FY2005.

All salary increases (equity adjustments, faculty promotions, merit increases, etc.) should be entered on-line into the BPP Prep Budget. Please contact Joe Dillard in Payroll Services (845-2711) for authorization to electronically submit your salary recommendations. Completed and signed Forms 900 requiring data entry should be returned the Office of Budgeting and Analytical Services (OBAS), MS 1183, BMS Building, by July 30, 2004. Departments entering data electronically must submit signed forms to OBAS (MS1183) by August 10, 2004.

Updated Forms 901 will be distributed August 9, 2004. Account administrators should immediately verify salary recommendations previously submitted on Forms 900 and notify OBAS of any required corrections.

**Merit Increases**

A merit increase is defined as an increase in salary for work performed beyond the basic expectations of the job, but not associated with a promotion or a change in job title resulting from a demonstrable, substantive change in job duties. **Meritorious performance must be documented by a performance evaluation that has been conducted in accordance with University policy.** Recommended individual increases exceeding ten percent (10%) require approval of the appropriate Vice President. **A merit increase may be awarded if an employee has 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 System Rule 31.01.08, Merit Salary Increases, for further information).**
a. Faculty Merit Increases

**Faculty salary increases, by law, must be awarded on a merit basis.** For FY 2005, merit increases for faculty should not exceed an aggregate average of 3% for each college (excluding promotions and equity increases) of the Budgeted Faculty positions that are eligible for merit raises as defined above. Exceptions to this rule will require prior written approval of the Executive Vice President and Provost. In order to support these increases, an allocation of 3% of the FY 2004 E&G faculty salary budget (including UAT and Enhancement Fees) has been allocated to each unit.

b. Staff Merit Increases

For FY 2005, merit increases for staff should not exceed an aggregate average of 3% for each college or division (excluding promotions, equity or pay plan adjustments) of the Non-Faculty positions that are eligible for merit raises as defined above. Exceptions to this rule will require prior written approval of the President. In order to assist in funding these increases, an allocation of 3% of the FY 2004 E&G non-faculty salary budget (including UAT and Enhancement Fees) has been allocated to each unit.

c. Graduate Assistants

For FY 2005, merit increases for graduate assistants should not exceed an average of 3% of the Graduate Assistant positions that are eligible for merit raises as defined above. In order to assist in funding these increases, an allocation of 3% of the FY 2004 E&G graduate assistant lump sum budget (including UAT and Enhancement Fees) has been allocated to each unit increases.

TAMU will continue to provide a monthly salary supplement to graduate assistants with health insurance coverage who were employed as of June 1. Graduate Assistants hired after June 1, 2004, will not be provided a supplement. The salary supplement will continue to process automatically at the same time the monthly payroll items are generated (approximately 2 days prior to the calculation of the monthly payroll), and will apply to graduate assistants (based on the faculty rank of ‘0’ on the B/P/P title code table). **No action will be required of the employing department.** As in FY2004, the payroll source record(s) will be built with a centrally funded salary source account for those graduate assistants being paid from E&G funds or will follow the student’s salary source(s) if they are paid from non-E&G funds.

**Equity Adjustments**

In some cases, equity adjustments may be required to address gender and ethnic disparities, internal salary compression or high external demand. These should be made from existing funds available to the department. All equity adjustment requests must be supported by strong evidence of necessity. **All equity adjustments must have Vice President approval in advance and must be sustainable in future years.**

**Faculty Promotions**

Funds have been provided for salary increases for promotions in faculty rank based on 5 percent of the current 9-month salary of the individuals being promoted. Colleges may supplement these funds from internal sources.

**Classified Pay Plan**

Please refer to the Human Resources Department Internet homepage at [http://hr.tamu.edu/classification/pay-changes.pdf](http://hr.tamu.edu/classification/pay-changes.pdf) for information that identifies job titles and corresponding minimum salary rates. Departments must ensure that minimum rates are adhered to for all classified positions as of September 1, 2004.
Other

a. **New Positions**

New positions (including title changes for existing non-faculty positions) must be approved in advance and must be funded within existing allocations. If the position has not received final approval, it should be budgeted in the appropriate **Unallocated Salaries** category. Impacts to the FTE cap as set by the 78th legislature should be considered and cleared with each vice president as necessary.

1) **Non-classified**

   With the exception of faculty positions, new positions (including current position title changes) must be approved through normal administrative procedures prior to being budgeted.

2) **Classified**

   Current classified positions may be reclassified, and new classified positions added to the budget, only after the appropriate Position Allocation Notice (PAN) has been issued.

b. **New Faculty and Faculty Retention Funds**

Last year Colleges received 136xxx funds for new faculty positions and for faculty parity/retention. This year additional funds were allocated for faculty parity/retention. These funds cannot be combined with other E&G funds and must be budgeted in its entirety on faculty salaries.

**Forms 900**

Please check each position for accuracy of data and entry errors. Enter salary recommendations and any necessary data changes to positions (occupant, sources, job title, percent effort, elimination, etc.). All salary recommendations with more than one salary source should be coordinated with all other account administrators involved. For further information, refer to the Budget Guideline letter dated May 21, 2004. Written evidence of prior approval **must** be submitted with Forms 900 in order for new positions and title changes to be processed.

Salary recommendations may be entered directly into BPP Prep Budget (Note: The signed paper copy of the Form 900 or an equivalent spreadsheet must still be routed through the appropriate Vice President and returned to Payroll Services for verification). For more information or to schedule a training session, contact Joe Dillard.

Departmental entry of Forms 900 is optional; however, those departments choosing to participate will benefit from immediate entry and the subsequent automatic update in the FAMIS Budget Module—occurring each Tuesday and Thursday evening. In order to maintain proper internal control, all data entered should be reviewed, after the fact, by the department head or their designee. All administrators involved in the preparation and approval process should sign the first page of each form.

Completed and signed Forms 900 should be returned to the Office of Budgeting and Analytical Services, MS1183, BMS Building by:

- **July 30, 2004** Forms requiring data entry. Submit with cover note “Entry Required”.
- **August 10, 2004** Forms electronically submitted. Submit with cover note “Entry Completed”.

**Review**

While more detailed information will be provided when related forms are distributed in August, the following is a summarized description of the final budget adjustment process. After completion of the Forms 900 recommendation entry into BPP, the resulting salary information will be transferred into the FAMIS budget system. Budget category totals within each account will be adjusted automatically in order to remain within original budget allocations. This process may result in negative category totals for some accounts or other situations where corrective action will be required.
To facilitate account review after BPP entry is completed, departments may request updated BPP Forms 900 or FAMIS report FDAR589 (similar to FAMIS screen 599) by emailing their report request to maryd@tamu.edu. Only incorrect Forms 901 that require data entry should be returned to the Office of Budgeting and Analytical Services, MS1183, BMS Building, by 5pm on Tuesday, August 10, 2004. Envelopes should be clearly marked “Entry Required”.

Departments will be notified if additional corrections are necessary. On August 10, 2004, a final Form 901 will be distributed for salary verification/correction. Budget entries on September 1, 2004 will be made according to this final data.

Contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Phone</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tom Taylor</td>
<td>VP Finance</td>
<td>845-8110</td>
</tr>
<tr>
<td>Mary DuBuisson</td>
<td>VP Finance</td>
<td>845-8145</td>
</tr>
<tr>
<td>Joe Dillard</td>
<td>Payroll Services</td>
<td>845-2711</td>
</tr>
</tbody>
</table>

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