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

FROM: William B. Krumm


Budget Salary Recommendation Forms 900 for your administrative location will be available on July 21, 2003. These forms, which reflect your budget data as contained in the BPP Payroll database on July 18, 2003, should be used to submit your salary recommendations for FY2004.

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 should be returned to Payroll Services, Room 201 Coke Building, by August 1, 2003, for forms requiring data entry. Departments entering data electronically must submit signed forms by August 12, 2003 to the Budget Office, Room 316 Coke Building.

Updated Forms 901 will be distributed August 11, 2003. Account administrators should immediately verify salary recommendations previously submitted on Forms 900 and notify the Budget Office of any required corrections.

Total mandatory and merit increases should not exceed the salary model ($600/FTE for employees earning $30,000/year or less plus 2% of salaries over $30,000/year in the original FY 2003 budget). Exceptions to this rule will require written approval of the Executive Vice President and Provost in advance.

**Mandatory Increases**

a. **Staff Increases**
   Non-faculty employees hired on or before August 31, 2003 and earning $30,000 or less (annual FTE basis) shall receive a $600 annual salary increase. An allocation of $600 for each E&G, ENF, or UAT FTE position earning up to $30,000 (annual FTE basis) has been made to the unit. Please note that these instructions have been slightly modified since the Phase I Guidelines were issued on June 25, 2003.
b. Graduate Assistants
TAMU will provide a monthly salary supplement of $145.60 to graduate assistants with health insurance coverage. This represents a significant contribution toward the increased cost of the state group insurance premiums for graduate assistants effective September 1, 2003.

For TAMU, the salary supplement will process automatically at the same time the monthly payroll items are generated (approximately 2 days prior to the calculation of the monthly payroll). **No action will be required of the employing department.** It will apply to graduate assistants (based on the faculty rank of '0' on the B/P/P title code table).

This new 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. The new sources will have a separate object class (1941 – Supplemental Compensation - Graduate Assistant - Medical Insurance) and will have a separate voucher number. This will cause a totally separate and identifiable payroll action transaction to be generated for the graduate assistant.

**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. **Meritigious 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.

1) Those faculty members earning $2,500 per month (FTE basis) or less are eligible for a $50 per month salary increase. Deans are encouraged to award this increase if a documented performance evaluation has been conducted as noted above. E&G Funds to support these increases have been provided.

2) In addition, departments are authorized to award additional merit salary increases to faculty members. Funds equal to 2% of salaries exceeding $30,000/year (excluding promotions, career ladder or equity adjustments) have been provided for salaries paid from E&G, UAT and ENF Funds. Individuals included in a. (1) above are eligible for merit increases from this pool.

b. Staff Merit Increases
Departments are authorized to award merit salary increases to non-faculty employees. Funds equal to 2% of salaries exceeding $30,000/year (excluding promotions, career ladder or equity adjustments) have been provided for salaries paid from E&G, UAT and ENF Funds. This pool is available to fund merit increases for any eligible non-faculty employee—including those employees who receive a mandatory increase as outlined under Mandatory Increases above.

c. Graduate Assistants
Departments are authorized to award merit salary increases to Graduate Assistant positions that are eligible for merit raises. However, no additional central funding has been provided for these increases.
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, must be sustainable in future years, and should be made effective not earlier than September 1, 2003.

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 www.tamu.edu/hrd 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, 2003.

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

The total salary for any new faculty member hired as a part of the new faculty funding initiative should be budgeted in the appropriate 136xxx account for the respective college/department. Likewise, any salary increase attributed to the faculty retention program should be budgeted in the same accounts.

c. 90 Day Waiting Period for Participation in Retirement Programs and Group Insurance Programs

Departments may choose to provide a salary supplement to cover the cost of Group Insurance Premiums (GIP) or the retirement matching during the new 90 day waiting period. Procedures for make these payments will be distributed by Payroll Services in the near future.

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 June 25, 2003. 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 Budget Office, Room 316, Coke Building by:

- **August 1, 2003** Forms requiring data entry. Submit with cover note “Entry Required”.
- **August 12, 2003** 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, particularly in academic units, 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.

On August 11, 2003, a final Form 901 will be distributed for salary verification/correction. Only incorrect Forms 901 that require data entry should be returned to Budget Office, Room 316, Coke Building, by 5pm on Tuesday, August 12, 2003. Envelope should be clearly marked “Entry Required”.

Departments will be notified if additional corrections are necessary. Budget entries on September 1, 2003 will be made according to this final data.

**Contacts**

- **http://budget.tamu.edu/**
- Tom Taylor  VP Finance  845-8110
- Mary DuBuisson  VP Finance  845-8145
- Joe Dillard  Payroll Services  845-2711