

Academic Budget Procedures

Budget Development

Budget development will be coordinated annually by the office of budget and planning. Budget development guidelines will be sent to each VP typically in January for the fiscal year that will start in July. Details of the budget development process may vary from year to year. The budget development process is meant to chart at a high level the expenditures that are planned on for the fiscal year tied to the expected revenue projections for the same period. These expenditures will tie to the university's strategic plan.

Budget Transfers

During the fiscal year budget transfers are used to move funding from one index/account code to another. These forms must be submitted electronically by the business/unit administrator of an area to the office of budget and planning for review and implementation. Budget transfers and directions for filling them out may be found on the budget and planning website.

Budget Amendments

As stated in university policy **all expenditures of the university must be budgeted each fiscal year prior to being spent.** Occasionally situations develop during the fiscal year that are unexpected and/or are an opportunity to advance the university in some way. The budget amendment process is to be used for changes to the budget that are desired during a fiscal year that will either change the total revenue and/or expenditure lines, or when additional expenditure authority is being requested that will have to come from central contingencies. Budget amendments must be signed by the submitting area's vice-president, the vice president of finance and the president of the university if they are requesting dollars from the central contingencies. The president may, if he/she chooses, delegate the vice-president of finance or the director of budget to approve budget amendments that have matching revenue and expenditure increases or decreases.

A budget amendment form must be filled out when requesting a change to the budget during the fiscal year. Budget amendment forms can be found on the budget and planning website under Forms & Guidelines. Accompanying the budget amendment form should be a budget transfer (submitted electronically) so that **if** the budget amendment is approved the budget transfer can be processed through the system.

Position Control

Since positions and the related fringes constitute so much of the university's operating budget, the University of Toledo practices position control. This function is intended to plan on and monitor the number of positions that are used at the university and to ensure that all permanent positions are funded properly. For this reason it is imperative that the budget office be included in proposals to redesign areas prior to implementing these plans.

Proposals to permanently reallocate or redistribute funds among approved permanent base budget positions require the approval of the appropriate vice president and human resources. Such reorganization proposals need to be submitted to the office of budget and planning in a completed, comprehensive form, clearly identifying proposed increases and decreases by approved position prior to any electronic paperwork to move staff being submitted by the area. In this way a smooth transition can be accomplished.

A position control number (PCN) will be assigned to all approved permanent base budget positions (also known as “specific” positions). These positions include professional staff, classified exempt, CWA, UTPPA, AFSCME, classified salary non-union, AAUP, Lecturer, Superannuate, visiting professors, residents, post-docs, and non-union 9, 10, and 12 month faculty. These positions are issued and budgeted on a one-to-one basis (one person to each position) and typically have health care/education fringe benefits associated with them. These PCNs are tied to the **position – not the employee** serving in the position. **Permanent base budget positions require permanent base budget.** Permanent PCNs are assigned by the budget office typically upon receipt of an epaf on the People Admin system.

The budget office will make the determination when a new PCN is needed. This is typically based on a major change to the position which **may** include: title changes (if done because of a significant change in the current position); an employee class change requested by HR; etc. Changes in specific PCNs are not typically done for source of fund changes and/or title changes that are done to better reflect the current position (little or no change done to the position description).

Pooled positions include federal work study and non-exempt undergraduate students, graduate students (teaching and research assistants), intermittent call-ins, interns, fellowships, and tutors also require PCNs that will be assigned by the budget office. These positions can have more than one employee assigned at a time and therefore are tied to their index and account codes.

Pooled positions are also used for “special compensation”. It is important to use the correct PCN when filling out paperwork for this situation. Staff employees who are teaching must be paid for teaching out of a PCN attached to a State Teachers Retirement Systems PCN.

Unit managers are required to monitor the overall funds for each of these pooled position types and stay within the budget.

Please check for the correct PCN to use on the web report library (HR folder, Departmental Pooled Position report). If a PCN is not listed and a new one is required, please see the budget office’s web site for the correct person to contact. It is preferred that requests for pooled PCNs are received through email.

Reconciling personnel budgets with position control roster

Each unit administrator is responsible for verifying the accuracy of the budgeted amounts in the personnel accounts and the fringe benefit accounts for all employees. That is, the contractual commitments of each unit must match the amount budgeted for the year in the appropriate account.

Please note that with most hourly employees receiving step and longevity increases the budgets for these positions are calculated on the amount that will be paid to the employee for the year. Because of this, position control rosters will often look out of balance with budgets exceeding salaries in the beginning part of the fiscal year and appearing lower than salaries at the end of the fiscal year. This is normal and to be expected. If the differences appear to be large, please contact your analyst in the budget office to review.

Fringe Benefit Rates

During the budget development process each year the office of budget and planning calculates the fringe rates that will be charged to each group of employees based on the benefits offered those positions. Each year an updated fringe benefit rate sheet is posted on the budget and planning website and should be used by the areas when preparing budget transfers and when reconciling budgets.

Monthly analysis of accounts

The unit administrators will do monthly reconciliations of all general, designated, restricted and auxiliary funds in their assigned areas. A link to forms and instructions for doing reconciliations can be found on the budget office's web site. Unit administrators will send an email to their respective budget analysts in the budget office monthly indicating that the reconciliation has been completed and point out any concerns that have been identified. As necessary, the budget office will notify in writing each vice president of any actual or prospective deficits identified in the monthly analysis. A copy of this notification will be sent to the unit administrator as well as to the vice president of finance.

Each vice president is responsible for correcting the budget deficit following the receipt of the notification from the budget office and is responsible for submitting a budget transfer or a budget amendment (see above) through the office of budget and planning, or submits in writing an outline of the corrective action to be taken.

Please note that the budget office will conduct random checks to ensure reconciliations are being completed.

Carry-forward balances

If the balance of general fund accounts for which a unit is responsible is in a deficit at the close of a fiscal year, that deficit will be covered by a unit's designated or auxiliary funds. In addition appropriate personnel action, up to and including termination for cause, may be taken.

Designated funds with negative fund balances will need to be covered either by a plan approved by the vice president of finance or by another designated fund with a positive balance. Designated funds will be allowed to accumulate positive carry-forward balances. Positive carry-forward balances **need to be requested during the budget development process each year** or by a budget amendment during the fiscal year (see budget amendments above) before spending.

Auxiliary funds are expected to follow the same budget procedures outlined above. The net income or loss from actual revenue and transfers-in less expenditures and transfers-out will be applied to each auxiliary funds cumulative fund balance.

Reclassifications of Positions

From time to time positions may need to be reclassified from one position class to another either from an employee requesting a job audit or from an area wanting a different position from what they have had in the past. **These items are considered to be under management control. As such, any changes to positions that require an increase in funding must be funded by the area themselves and not from central contingencies.**

If an employee requests a job audit for reclassification and human resources determines that the employee has indeed been working out of classification the department will need to provide the office of budget and planning with a budget transfer to cover the increase in salary for the time that the employee worked out of classification. If the department wants to keep the position in the new classification, they will need to fund the position at the higher salary on a permanent basis. Otherwise the job duties for the employee will need to be adjusted back to the original classification so that no permanent salary increase is needed.

Personnel Actions: Hiring

Specific positions (defined above) will be hired following HR policy #3364-25-113. For staff positions (hires or changes) the university is currently using the People Admin System. If you do not have access to the People Admin system, please contact human resources for access and training. When filling out the electronic form, **please make sure to identify funding if this is a new position that was not approved and/or budgeted for during the fiscal year budget process.** Please be careful to match up employee classes with the correct account codes to avoid confusion. The comment section in the People Admin system should be used to help clarify any ambiguities in the hiring/change being requested.

For faculty hires, please contact either the Provost or Chancellor's office (as appropriate).

In the event the salary of the individual appointed to a position is higher than approved budget, the unit administrator shall provide the office of budget and planning with a permanent budget transfer which clearly identifies the source of the expenditure authority for the additional annualized salary and related fringe benefit expenses. This source of funds **cannot be from the operating funds of a department.**

Permanent Filling of CWA, Classified Exempt, and AFSCME positions – General Fund

Due to step and longevity as well as the bargaining agreements of “bumping rights” in the CWA and AFSCME, a university wide holding account has been set up for **general fund** positions. As CWA/Classified Exempt/AFSCME positions become vacant in the general fund and refilled (typically with a lower step/longevity employee) the unneeded budget is removed from the index and reallocated to the holding account. Conversely, if a higher paid CWA/Classified Exempt/AFSCME employee moves into a vacant position the budget necessary to completely fund the position will be reallocated out of the holding account and into the position. **This is only applicable to the general fund.** Designated and auxiliary funds will need to cover any necessary shortage.

Personnel Actions: Changes

Specific staff or faculty positions that need to be moved to different source of funding (i.e. a change in indexes/account codes, have salary adjustments, etc.) need to have an epaf submitted using the People Admin system for staff. See Personnel Action: Hiring, above)

Separation from the University

Please follow the procedure outlined on payroll's website for employees leaving the university.

Salary recapture process:

The salary recapture process applies to all general fund accounts and is designed to provide funding for one-time adjustments or supplements to expenditure authority. Salary recapture funds may not be used to fund permanent base budget adjustments.

The funds removed from a general fund account through the salary recapture process will be placed in an institutional account (annual temporary reserve) under the signatory control of the president.

In general, areas are encouraged to use available staff to temporarily cover for vacant staff positions. If a general fund position is likely to be vacant for a long period of time and/or becomes vacant during a critical time period for an area, the resulting uncommitted expenditure authority may be requested to be used to cover the responsibilities by another employee/temporary employee. Requests for this exception to salary recapture must be requested **prior to hiring a temporary position or agreeing to pay overtime to a current employee**. The request should be in writing (email is preferred) and signed off from the vice president of the requesting area. Please send these requests to the director of budget and planning. If approved, the funding for this would be a one-time budget transfer from the annual temporary reserve to part-time casual positions on a temporary basis. Only the salary and the applicable retirement benefits will be covered.

Cross Charges between departments:

In some instances it may be desirable or necessary for departments to cross charge for services rendered. This typically happens between auxiliary and general fund units but occasionally occurs between other funding units. The charges that are imposed by the department supplying the goods and/or services are not intended to provide extra income for the area but rather to reimburse them for the costs incurred for providing the service.

Cross-charges that involve multiple positions should be set up as if it were an outside purchased service (i.e. based on an average cost of service rather than for each positions salary). This helps minimize paperwork and confusion in monitoring this activity. The office of budget and planning can assist in setting up on-going arrangements. Please contact your representative in the budget office if you would like to explore this option.