INDIANA UNIVERSITY

Budget Construction Guidelines
Bloomington Campus

2021-22

May 2021

Office of Budgetary Administration and Planning (OBAP)
Carmichael 201
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Deadline for completion of Budget Construction:  **Wednesday, May 19, 2021**
Deadline for submission of Budget Narrative:  **May 21st-May 24th** (extension if needed)
Bloomington Campus
FY 2022 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 2021-2022 budget requests. As in past years, the Finance, Budget & Strategy 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 Associate Vice Provost Aimee Heeter.

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.

This year, more than any, I want to thank all financial staff for your tireless work and patience during this most difficult time. Since the start of budget construction 2021, our work life changed drastically. While we are not seeing each other face-to-face, we have remained a strong campus community. Personally, I have been uplifted by your courage, compassion, and dedication to the students, faculty, and staff of the university. The academic mission of the university remains the core of our financial decision making which makes IU Bloomington a remarkable place with opportunities ahead thanks to the collective efforts of all of you and your staff.

Sincerely,

Aimee Heeter

SPECIAL NOTE: Legal service providers must be approved by the Office of the Vice President and General Counsel. Expenditures for legal services may be made only in accordance with guidelines established by that office.
B. Salary and Benefits

1. Salary & Wage Policy Fiscal Year 2022 – All Fund Groups

The policy for FY 2021-22 provides salary and wage setting guidelines which support the objective of optimizing the university’s ability to continue to attract and retain outstanding faculty and staff talent.

For fiscal year 2021-22, Executive Vice President or Vice President (or delegate) approval is required:
- To fill new and recently vacated appointed academic and staff positions, including visiting faculty
- Mid-year salary increases ≥ 8%

Effective July 1, 2021, President or Executive Vice President approval is no longer required for the following hiring or payment actions:
- All externally funded appointed faculty and staff positions
- Mid-year salary increases for Higher Level Responsibilities, career progression, and market adjustments (if below 8%)
- Adjunct and part-time instructors
- Independent contractors
- Temporary Employees, including students and work-study
- Temporary additional and supplemental pays
- Summer salary for 10-month faculty and adjunct positions
- Student academic appointees

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

2021-2022 Policy
- Each RC average base salary increase pool is approved up to 2% for continuing faculty and staff:
  - The 2% increase pool includes a mandatory increase of 1%, and an additional increase of up to 1% is permitted assuming the RC has available resources.
  - Exceptions to the 1% mandatory increase require approval by the Provost, Executive Vice President and President and will be coded with one of the includable reason codes.
- University Administration Responsibility Centers (RC) will be centrally funded for a 1% increase. Up to an additional 1% will be allowed, per policy, predicated on the RC’s own base funding ability.

University Minimum Wage
- Effective July 1, 2021, the University’s minimum wage is $15 per hour ($31,200 annual) for appointed faculty and staff.
  - Dually employed faculty or staff can be excluded from this minimum wage policy using the excludable code MYR.

Salary Compression Adjustments
- Appointed faculty and staff with current hourly pay rates exceeding $15/hour and less than $17/hour may receive up to an additional $500 in annual base salary ($0.24/hr), after the mandatory 1% annual pay increase, with the following criteria:
  - Must have 3 or more years of service with the University
  - The $500 payment is limited to the amount needed to reach $17/hour
  - Excludes employees that will receive a pay increase of 1% or greater in order to meet the $15/hr minimum wage
• Increases above 8% without one of the exception codes noted in this policy should be sent to AVP Aimee Heeter (aheeter@iu.edu). These increases must be approved by the Provost & Executive Vice President and will also be reviewed by the Vice President for Human Resources and the Vice President and Chief Financial Officer.

A list of includable reason codes is provided below. An employee receiving less than a 1% increase must be coded with one of the following codes. Employees’ base pay must meet or exceed the minimum of the pay range for their position’s classification. The use of these codes will NOT exclude an increase from the salary average increase calculation:

INS Insufficient Funds.
MID Employee received off-cycle increase during the current fiscal year resulting in no 7/1 increase or a reduced increase %.
NEW Academic/Exempt staff/non-union non-exempt new hire resulting in no 7/1 increase or a reduced increase %.
PER Less than satisfactory performance, which should be documented by a performance improvement plan or other corrective action in the current fiscal year or within the previous 12 months, resulting in no or a reduced increase.
TER Employee will terminate or retire during the upcoming fiscal year and should not receive an increase.

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

Excludable Reason Codes Applicable to Faculty:

EQU Affirmative Action approved increases.
FLT Employees earning less than $31,200 annualized, receiving a flat increase.
INT Employee salary increases mandated by the Department of Labor.
MAR Market adjustments for faculty 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. Requests will be submitted to Campus Budget Office and Academic Affairs Office for approval. Request should also be submitted to aheeter@iu.edu after VPFAA approval.
MYR Written agreement completed prior to May 14 that includes a salary increase requirement for the upcoming fiscal year. Provide a copy of agreement to aheeter@iu.edu after VPFAA approval.
NTN Newly tenured faculty.
PRO Faculty receiving promotion in rank or newly named as Distinguished Professors.
SCA Salary compression adjustment as outlined above.

NOTE: Faculty with exclusion code of NTN or PRO should receive the salary policy increase, and the standard increase associated with the exclusion. The total amount will be entered into the Request field and the exclusion amount entered in the Reason Code Amount field.

Excludable Reason Codes Applicable to Staff:

EQU Affirmative Action approved increases.
FLT Employees earning less than $31,200 annualized, receiving a flat increase.
FYS Fiscal year supplement is required for Non-Exempt staff above the maximum salary range. This reason code may also be used for exempt employees above the maximum of the salary range or other non-
union employees who are receiving compensation well above their position requirements for the salary range. **Use object code 3100.**

**HLR** Staff position duties have substantially changed within level and the position now has a sustained increase in responsibility documented in a position description approved by Compensation during the current fiscal year. In addition:
- In order to use this code, the increase cannot have already been processed via a Mid-year Pay Adjustment.
- The staff position is eligible for a salary/wage increase up to an additional 8% (combining the HLR percentage with the campus/RC 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 hrcomp@iu.edu by April 23.

**INT** Employee salary increases mandated by the Department of Labor.

**MAR** 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 to and approved by Compensation. Submit the request and supporting documentation to Compensation via hrcomp@iu.edu by April 23.

**MYR** Written agreements completed prior to May 14 that include a salary increase requirement for the upcoming fiscal year. Please provide a copy of agreement to aheeter@iu.edu.

**CAR** Staff either (a) progressed to a higher career level, or (b) promoted to a different position of a higher career level effective 7/1 of the upcoming fiscal year.

**SCA** Salary compression adjustment as outlined above.

**Employees with Base Rates Less Than $31,200**
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 budgeted CSF Tracker records will be provided to assist in budgeting and determining costs, by account. Salaries for non-union employees paid less than $31,200 ($15/hr) should be set according to this policy, and the reason code “FLT” assigned to the increase. Dually employed faculty or staff can be excluded from this policy using the excludable code MYR.

**Non-exempt Staff Represented by Unions**
Non-exempt 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 union employees will provide for an overall average of 1.25%.
- Non-exempt union employees are eligible for compression adjustments (see criteria above).
- Employees earning less than $31,200 on an annualized full-time equivalent rate after the salary policy increase, will receive an additional base increase 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. A file of budgeted CSF Tracker records will be provided to assist in determining cost, by account for budgeting in the salary reserve line.

Salary statistics by RC are calculated independently within three employee classifications: Academic (Obj Cd 2000), Exempt/Non-Exempt Staff (Obj Cd 2400/2480), and Non-Exempt Non-Union (Obj Cd 2500).

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% with your budget submission.

Do not share salary and wage recommendations with employees prior to Trustee approval of budget.

Please submit supporting documentation to Aimee Heeter (aheeter@iu.edu) in the campus budget office by May 21st-May 24th (extension if needed).

UNN Reason Code
During Budget Construction the union salaries will be set to the salary policy of zero percent.

Using Reason Codes in Budget Construction
When coding an employee’s request line with a reason code, every funding line must contain the same reason code and the amount associated with the reason for that funding line.

2. All Funds Budgeting – Compensation

Changes in Academic Budgeting Practices
Budgeting Limited Term Full Time Staff Appointments
Budgeting Academic Leaves of Absence (Superseded – See Budgeting Academic Leaves below)
Budgeting Academic Leaves
Budgeting Vacant Faculty Positions for Administrative Faculty
Budgeting Appointment Changes Effective with the New Fiscal/Academic Year
Budgeting Salary Savings and Reserves
Salary Exception Reason Code Amount

If you have questions, please contact Patti Quimby (pquimby@iu.edu).

3. Employee Benefit Rates for FY 2022 - All Fund Groups

<table>
<thead>
<tr>
<th>Category</th>
<th>Code</th>
<th>Benefit Rate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic - Summer</td>
<td>2010</td>
<td>27.51%</td>
</tr>
<tr>
<td>Academic - Overload/Supplement/Residents/Non-Students</td>
<td>2170,2200,2290 &amp; 2300-2310</td>
<td>6.98%</td>
</tr>
<tr>
<td>Professional - Exempt &amp; Non-exempt</td>
<td>2400,2405,2408,2480,2488</td>
<td>39.85%</td>
</tr>
<tr>
<td>Professional - Overload/Terminal Pay</td>
<td>2420,2428</td>
<td>6.98%</td>
</tr>
<tr>
<td>Non-exempt - PERF &amp; Retirement Savings Eligible</td>
<td>2500,2504</td>
<td>39.98%</td>
</tr>
<tr>
<td>Non-exempt - Terminal Pay</td>
<td>2550</td>
<td>19.45%</td>
</tr>
<tr>
<td>Temporary</td>
<td>3000,3150,3250</td>
<td>6.98%</td>
</tr>
<tr>
<td>Temporary</td>
<td>3050,3100,3200,3205,3210</td>
<td>19.45%</td>
</tr>
<tr>
<td>Supplemental</td>
<td>4580,4588</td>
<td>6.98%</td>
</tr>
</tbody>
</table>

Note: see Employee Benefit Calculation Percentages for additional detail

4. Mobile Plan and Device Allowances

All stipends for cell phones or home internet connections ended on June 30th, 2020 (unless required by law, external compliance, or contract).
5. NIH Salary Limitation

NIH issued this guidance and has updated the Salary Cap Summary site February 1st, which was retroactive for the Executive Level II salary limitation that increased from $197,300 to $199,300 effective January 2021. The Academic 10-month salary limitation increased from $147,975 to $149,475.

Academic Summer Pay is subject to the same rate as the Academic Year Salary. Review the guidance at NIH Salary Cap. Please contact Rayna Amerine (ramerine@iu.edu) if you have any questions.

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

In budget construction these salaries will be set according to salary policy. The hourly rate is the basis for calculating increases for all employees that are paid bi-weekly. Bi-weekly employees should have the same hourly rate regardless of the number of account lines. Employees can have different hourly rates only if they are paid from more than one position number. If you have any questions, please contact Patti Quimby (pquimby@iu.edu).

C. Academic and Staff Information

1. Academic Salary Minima (no change from PY)

Faculty salary minima shall follow the campus salary guidelines in determining what the average salary increase should be. Amounts reflected below remain flat from FY21 but are subject to change. If there are recommended changes from the Bloomington Faculty Council, updates will be sent to units.

<table>
<thead>
<tr>
<th>Position</th>
<th>Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>FT1/LT1 Full Professor/Librarian</td>
<td>$64,191/10</td>
</tr>
<tr>
<td>FT2/LT2 Associate Professor/Librarian</td>
<td>$52,500/10</td>
</tr>
<tr>
<td>FT3/LT3 Assistant Professor/Librarian</td>
<td>$41,814/10</td>
</tr>
<tr>
<td>FLX Instructor/Affiliate Librarian/Lecturer</td>
<td>$38,876/10</td>
</tr>
<tr>
<td>RSP/RSX Postdoc Fellow and Research Fellow</td>
<td>$40,400/12</td>
</tr>
<tr>
<td>RSS/UAS Research Associate and Academic Specialist</td>
<td>$37,370/12</td>
</tr>
</tbody>
</table>

2. Vacant Positions - All Fund Groups except Contract & Grant

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 reallocate base funds 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 Patti Quimby (pquimby@iu.edu).

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.
3. **Split Appointment - All Fund Groups**

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

To ensure everyone has the same understanding, contact the appropriate individuals to discuss the distribution of salary and funding percentages for shared employees. 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”.

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 Resource office if additional guidance is needed.

Questions can be directed to Patti Quimby (pquimby@iu.edu).

4. **Strategic Hiring Program - General Fund Only**

Strategic Hires base funding for FY 2022 will be provided post-July 1, 2021. Please indicate on the hiring e-doc, in the notes section that the hire is part of the Strategic Hiring Program. During budget construction, budget the amount you expect to receive from the campus, using object code 2003 and create a sub-object code that identifies the employee OR use a generic sub-object of STR for Strategic Hire funding.

D. **Student Information**

1. **SAA/Postdoc/Fellowship Recipient Health Insurance - All Fund Groups**

*Academic RCs* 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 fund accounts for Support RCs. *Support RCs* 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 SAAs for FY 2022.

The Student Health Insurance Plan is mandatory for all Student Academic Appointees (SAAs) who are appointed at 37.5% FTE for the Fall and/or Spring Semesters, and Fellowship Recipients with an award of $5,625 per semester for FY 2022. All SAAs and Fellowship Recipients must be enrolled in a minimum of six credit hours or G-901 each semester (summers excluded). Premiums for SAAs and Fellowship Recipients are fully subsidized by the University or external granting agency.
SAA/Postdoc/Fellowship Recipients Premium Rate

<table>
<thead>
<tr>
<th></th>
<th>2021</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2021</td>
<td>$1,386.13</td>
</tr>
<tr>
<td>Spring 2022</td>
<td>$2,037.61 (5% increase)</td>
</tr>
<tr>
<td>Total 2021-22</td>
<td>$3,423.74</td>
</tr>
</tbody>
</table>

2. Stipends for Student Academic Appointees - All Fund Groups

FY 2022 minimum rates, $15,000 for 10 months (AY) for 0.50 FTE (20 hrs/per week). If there are changes by the Bloomington Faculty Council (BFC) updates will be sent to all units.

E. General Funds ONLY

1. Unbudgeted Income - Instructional RCs

**DO NOT CHANGE income on the General Fund.** Your 2022 budget must correspond to the income reflected on your RC Allocation Sheet. Allocation Sheets will be loaded to your FY 2022 Budget Construction folder in Box. UBO has uploaded Incidental Income (Inc-Inc) to budget construction. The campus will upload the remaining income for general funds. Individual Units/RCs should not change income; this includes transfers in budgeted in Inc-Inc. Use of unanticipated and unbudgeted income received during the year will not be permitted without prior discussion with the Budgetary Administration and Planning Office. If you have any questions, please contact Aimee Heeter (aheeter@iu.edu).

2. Budgeting the Use of Reserves (Fund Balances)

Units will be requested to provide details regarding reserve funding. If negative reserves are built into the budget, additional information will be requested regarding coverage by year-end FY 2020-21. Provide details to Aimee Heeter (aheeter@iu.edu) with your narrative. For guidance on budgeting reserves see links to AFB practices below for “Budgeting Unallocated Funds” and “Budgeting Operating Surplus/Build-Up of Reserves and Deficit/Use of Reserves.”

F. All Funds Budgeting – Other

1. Business Practices

- [Budgeting Unallocated Funds](#)
- [Budgeting Operating Surplus/Build-Up of Reserves and Deficit/Use of Reserves](#)
- [Budgeting Non-Recurring Strategic Funds](#)
- [Budgeting Faculty Research Funding/Spending](#)
- [Transfer Object Code Choice](#)
- [Budgeting Non-Recurring Cash](#)
- [Budgeting Transfers within the General Fund](#)
- [Budgeting Transfers within RC](#)
2. Budget Construction Tools

- Budget Construction Reference Guide
- Budget Construction Import Guide
- KFS Import Templates
- Budget Construction Annual Request Import Template
- Budget Construction Monthly Request Import Template
- Budget Construction Non-Compensation Import Tool
- New View/Report Functionality

G. Auxiliary Accounts

1. Auxiliary Account Budgets

Auxiliary account budgets should be realistic and constructed so that the year-end operating margin is breakeven or positive. Exceptions to breakeven or positive operating margins are made for 66* accounts that must operate at a deficit to comply with internal rate setting requirements. Outside of this exception, 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. Due to COVID-19, more leniency will be allowed for budgeted deficits. As always, please send those in advance for approval.

If you have any questions, please contact Auxiliary Business Services (iubaux@indiana.edu).

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

An Auxiliary Standard Operating Procedure has been created to outline the Repair and Rehabilitation (R&R) Requirements for Auxiliary Enterprise and Service Units. Please refer to ASOP 27.0: Repair and Rehabilitation Reserves for Auxiliary and Service Units for additional information.

The Controller’s Office has distributed the required FY 22 contribution amounts to the campuses.

Contact Auxiliary Business Services (iubaux@indiana.edu) with any questions.

H. Matching Programs

1. Matching the Promise, Bicentennial Campaign, Overseas Studies

If a Matching the Promise or Bicentennial Campaign account is qualified to receive matching funds in FY 2022, the budget for those matching funds and corresponding expense has been prepopulated in the account. Units should budget the amount they anticipate spending from the IUF using object code 1179 and use the appropriate expense object codes for the offsetting expense. Please direct questions to Jill Piedmont (jpiedmon@iu.edu).

2. 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 9918-PRS and Object code 9918-SCH). In cases where accompanying funds exist at the IUF, the units will also be apprised of the projected amount of income they may budget in Object code 1179. Please direct questions to Jill Piedmont (jpiedmon@iu.edu).

I. Miscellaneous Information

1. IU Tuition Benefits (FeeCourtesy)

The fee courtesy file for FY 2022 has been posted to the CATS Knowledge Base (see IU Tuition Benefits (Dependents) for Non-General Accounts). 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 August.

2. Parking Charge for AFSCME Employees (object code 4210) - All Fund Groups

Current 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 $148 per AFSCME employee. The charge is processed once a year, in the fall, on a service billing document.

3. Travel Allowances (object codes 6000-6280) - All Fund Groups

Effective January 1, 2021, all fund groups except 47 accounts are reimbursed at $.56 for the first 500 miles and then $.28 for 501 or more (https://travel.iu.edu/traveling/travelingbycar.shtml).

Effective March 1, 2020, all 47 accounts are reimbursed at $0.39 per mile.

See the Travel Management Services website for more information.

4. Fire and Casualty Insurance - All Fund Groups

The Fire and Casualty Insurance information has been posted to the CATS knowledge base.

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

EVV and criminal background checks for IU employees must be completed utilizing the University’s web-based enterprise system. Also, some students and volunteers require a criminal background check.

The base costs are as follows:

- Standard background check = $20.25
- Form I-9 = $0.85
- E-Verify = $0.95

The actual cost may be higher due to additional charges for other services, 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.
Additional information regarding criminal background checks and the Form I-9/E-Verify process can be found on the UHR website.

In addition to the above, note the policy pertaining to Indiana University Programs that Involve Children.

J. Reports and Documents Needed to Complete Budget Construction

1. “Reports to Run BEFORE 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.

2. Planned Use of Reserves and Budget Narrative

Please provide a word document summary for your budget and fiscal analysis FY22 & FY23 outlook. The narrative should focus on all funds with a greater focus on FY22 budget as FY23 is a high-level projection. 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. Please include the following areas of narrative analysis.

a. A summary of the financial impact resulting from changes in operating revenue (enrollment, research, auxiliary revenue, etc.). What steps has your College/School or Administrative unit taken and will continue to mitigate financial pressures resulting from reductions in revenue and growth in expenses.

b. Enrollment Outlook (Academic Units) – Provide a summary of enrollment changes expected as reflected in the FY22 operating budget and in FY 2023 outlook.

   a. If growth is projected, provide if level of enrollment is impacted (e.g., undergraduate, graduate, or professional).
   b. If decreases are projected, provide area of impact (e.g., undergraduate, graduate, or professional). What are the plans to mitigate the decrease (decrease expenses) or future enrollment plans?
   c. Does online enrollment play a factor? If yes, what is the impact.

c. COVID-19 Impact. Please provide details of constraints and/or strategic opportunities that have arise due to the pandemic.
d. **Utilization of Foundation Funds.** As President McRobbie outlined last spring, a consorted effort should be made to increase the utilization of foundation funds. The balances and utilization are reviewed by senior academic leadership during the year. Please outline (1) usage planned for FY 21, (2) budgeted and projected spend in FY 22 and FY 23.

e. **Compensation policy** – Provide an overview of the implementation of the campus salary policy. Please include average percentage increases for faculty and staff. Are there increases/decreases in FTE expected for FY 2022. If yes, please describe. Please provide all exception requests for submission to VPCFO.

f. **Planned Uses of Reserves** - please provide a list of your current FY 2021 Planned Uses of Reserves and FY 2022 planned uses of reserves (included in fiscal analysis).

Please submit planned uses of reserves (all funds) and budget narratives to Aimee Heeter (aheeter@iu.edu) copying Donna Carter (dkcarter@indiana.edu) by **May 21st-May 24th (extension if needed)**. If questions overlap with fiscal analysis narrative, please note.

3. **Supporting Documentation for Salary Policy Exceptions**

The following reasons require documentation:

- NTN – Newly-tenured faculty
- PRO – Faculty receiving promotion in rank or newly named as Distinguished Professors
- EQU – Provide Documentation received from Affirmative Action
- INT – Employee salary increases mandated by the Department of Labor
- MYR – Provide a copy of the written documentation supporting the multi-year contract

Submit supporting documentation to Aimee Heeter (aheeter@iu.edu) by **May 21st-May 24th (extension if needed)**.

**Deadline for completion of Budget Construction:** **Wednesday, May 19, 2021**

**Deadline for submission of Budget Narrative:** **May 21st-May 24th (extension if needed)**

K. **Addendum**

i. **Policy for Faculty Members holding Administrative Positions (IU Trustee Policy: June 30, 2004)**

The following policy shall apply 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 or President – who were not in one of these positions on June 30, 2004. It shall be used to determine the salary of an individual who holds both a faculty and an 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 setting forth the 12-month salary of the individual. The appointing official will then determine 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 individual’s 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. The faculty component of the salary shall revert to ten-twelfths (10/12) of the faculty component if the individual returns to an academic year teaching position.

Procedure

Since fiscal year 04/05 salaries for new faculty administrators (Provosts, Vice Provosts, Chancellors, Vice Chancellors, Deans, Directors, and other administrative positions) have had two components. One component is the traditional 12-month base amount and is budgeted on object code 2000. The specific amount tied to the second component “Administrative”, is budgeted on object code 2000 with a sub-object code of ADM. Twelve-month administrators, who will be partially funded from their 10-month faculty line, should be converted, spreading their 10-month salary over 12-months (e.g., 25% of the 10-month rate will actually be 20.83 FTE of the 12-month rate). The administrative component of the salary is incurred on the administrative office account. Each component of the salary will be incremented annually in compliance with the campus budget salary guidelines. The administrative component will be removed if the administrator returns to the faculty and the faculty salary component should revert back to ten-twelfths (10/12).

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.)
ii. **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 code 2010 for Salary Plan AC1, 2310 for AC2, and 2370 for AC3, AC4 & WSG.

iii. **Distinguished Professors**

President McRobbie selects distinguished professors at IUB and IUPUI. The Distinguished Professor title becomes effective January 1 and the President will provide $10,000 as supplemental pay. The supplemental pay will be provided each January and remain unchanged (no incremental increases) until their termination from the university. The $10,000 supplemental pay will be reflected annually during budget construction via one of the President’s accounts. Each school may provide research funds if they so choose. Please direct questions to Aimee Heeter (aheeter@iu.edu).

iv. **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 Aimee Heeter (aheeter@iu.edu).

v. **Budgeting C&G Accounts**

The Salary Policy for FY 2021 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.

vi. **Expanding 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.

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 expiring grant account, and the unit will need to move the salary to another account after July 1. 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.

vii. **UITS Rates for Direct Billing - All Funds Groups**

For FY 2022, UITS Rates are not available as of the date of this document, refer to Rates and Costs of UITS Services for viewing the updated rates when available.
viii.  **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.

The FY 2022 amount to budget is the same as budgeted for FY 2021. During FY 2022, 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 of 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 Aimee Heeter (aheeter@iu.edu).

ix.  **President’s Fund**

President’s Fund should be budgeted using object code 9977, sub-object code PFU. The FY 2022 amount to budget is the same as budgeted for FY 2020. *The reduction in FY 2021 was a one-year reduction only.* Contact Aimee Heeter (aheeter@iu.edu) for any questions.

x.  **Minor Repairs & Maintenance (object code 4700) - All Units - All Fund Groups**

If facility repairs or maintenance are planned for FY 2022, they should be budgeted. Funds to cover these costs should be reallocated within your FY 2021 available resources. Repairs and maintenance amounting to $75,000 or less need to be budgeted using 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.

xi.  **Equipment - All Fund Groups**

Capital equipment purchases are equipment items with an acquisition value of at least $5,000 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.
xii. Dual-Career Hiring

BL Campus funding support for approved Dual Career (Spousal Accommodation) appointments will be transferred post July 1, 2021. 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 Patti Quimby (pquimby@iu.edu).

xiii. Postage - All Fund Groups

First-Class letters up to 1 ounce will increase from 50 cents to 55 cents. Postcard postage will remain at 36 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 USPS Mailing & Shipping Prices. If you have any questions, please contact Mail Services at 855-3503 or iumail@indiana.edu.

xiv. Use of Total Intended Fields in KFS Budget Construction Application

The “total intended” field in Budget Construction should be used when an employee is split-funded among multiple accounts. The field is used as a tool to identify the total salary request for the individual and the total FTE effort the individual will work. The “total intended” fields should be completed on each account that has a funding piece. This field should only be used when an employee is split-funded.

xv. Implications of eDoc Processing in Relation to Budget Construction

Budget data is built from existing HRMS Job and Position data. When a budget is opened you will find existing appointed employees tied to their positions, just as they are in HRMS, if a candidate job row is found and the appointment funding is flagged for CSF. Budgeted positions without incumbents are identified as vacant in budget construction. Any eDoc transactions can proceed as usual.

- While setting salaries in budget construction, (i.e., entering a new compensation rate, distributing salary between accounts for an employee currently appointed to a position), do not complete a corresponding eDoc.
- However, if you are changing any attribute of a position, you must complete a Maintain Position eDoc. If the position change is to be reflected in the employee’s job record, the update incumbent box must remain checked.
- If you process a Maintain Position eDoc after the PS sync is turned “off” the employee’s APA (Annual Pay Adjustment [Budget Load]) will not update the job record. Central office staff will handle the cleanup via load failure reports.
- For a new hire to be reflected in budget construction, you must process a Hire eDoc. If the eDoc is processed before the CSF Tracker is frozen, and the effective date is prior to the new fiscal year, the base will automatically be updated in budget construction. You can use an effective date prior to and including 7/1/21 for 12-month appointments, and 8/1/21 for 10-month appointments. If the appointment is to have an effective date outside of this range, please budget as VACANT.
- If a position is changing from a 12-month to a 10-month, a Maintain Position eDoc must be initiated. Use the effective date of 7/1/21, if the intent is to prohibit the employee from receiving pay for the month of July.
• If an AC1 employee is currently on leave with an expected return date on or prior to 7/1/21, and the employee is definitely returning, you will need to initiate a Return to Duties eDoc. This eDoc must be approved prior to the budget load to enable the individual’s APA to load. Staff employee records load regardless of their HRMS leave status (there is no need to return a Staff employee from leave unless he or she has returned).

• An eDoc processed prior to the budget load with an effective date less than or equal to 7/1/21 (12-month appointment) or less than or equal to 8/1/21 (10-month appointment) will be overwritten with the budget load. Therefore, the budget load information becomes the current job information.

• Before the budget load, if you process an eDoc with an effective date in the new fiscal year you will be providing outdated salary information, due to carrying the current salary information forward with an effective date after the budget load.

Once the CSF Tracker is turned off, eDoc changes will no longer automatically update in budget construction and will require an interactive update using the budget construction application. However, eDocs may still be processed, with the only eDoc transactions being “held,” being those for which you know that the budget will load incorrectly, and you need to insert a row on top of it to supersede the budget data. A legitimate example would be one in which the budget only loads funding by percent, and you want the funding to be by amount.

NOTE: When the budget is loaded, all eDocs for AC1, Staff Monthly, and Staff Biweekly employees with a route status of “saved” or “enroute” will automatically be disapproved by the eDoc system the next time they are opened.