

**TEXAS TECH UNIVERSITY
HEALTH SCIENCES CENTER**

**Budget Guidelines
FY 2012**

The following Budget Guidelines have been developed to assist in the preparation of the FY 2012 Operating Budget. Each Vice President or Dean may issue more specific budget instructions as they deem necessary to allocate funds or meet school or divisional goals. Please check with the appropriate administrative official for any additional requirements.

Budget Prep System

Departments will input the FY 2012 budget into the online Budget Prep system. The [Budget Prep System Manual](#) provides detailed instructions for this system. [Budget Prep Online Training](#) is available. The FY 2012 Budget Training section has specific information related to the FY 2012 budget cycle. Departments are highly encouraged to review this section.

Timeline

May 25 - Budget Prep System open

June 17 - All reclassifications and new positions are due to the Lubbock Human Resources Office. Earlier deadlines may be established by the regional Human Resources offices. **Any reclassifications or new positions received after this date will be effective October 1.**

June 27 - Budgets due to Budget Office. Budget Prep will be closed for departmental input at 6:00 pm CT.

Personnel Guidelines

Reduction in Force (RIF)

- Departments must contact Human Resources to begin the RIF process.

Merit Policy and Pay Plan Adjustments

- There no pay plan adjustments or merit increase program for FY 2012.

Faculty Promotions

- Human Resources will change Position Classes for faculty approved for promotion at the February Board of Regents meeting.
- Any salary increases related to faculty promotions should be processed on an e-PAF with an effective date of 9/1/2011. These increases **should not** be entered into the Budget Prep system.
- Funding for salary increases related to faculty promotions should be budgeted in Account Code 7099.

Reclassification of Existing Positions

- A [Reclassification Form](#) and [Position Description Questionnaire \(PDQ\)](#) (staff positions only) should be submitted to the Lubbock Human Resources Office by June 17, 2011. Earlier deadlines may be established by regional Human Resources offices.
- The reclassifications **should not** be entered into the Budget Prep system
- Upon approval by Human Resources, the Budget Office will enter the reclassification into the Budget Prep system.
- Funding for the reclassification should be budgeted in Account Code 7099.

New Positions (Faculty and Staff)

- A [New Position Request Form](#) should be submitted to the Lubbock Human Resources Office by June 17th. Additionally, a [PDQ](#) is required for staff positions.
- Upon approval by Human Resources, the Budget Office will enter the new position into the Budget Prep system.
- Funding for the new position should be budgeted in Account Code 7099.

Other Salary Increases

- A formal salary review process has been established by Human Resources to analyze any proposed salary increases related to internal equity or market competitiveness.
- Due to the budget situation, these increases are expected to be very limited for FY 2012.
- If the review should show that an increase is warranted, the increase will be processed on an e-PAF and **should not** be entered into the Budget Prep system.
- Funding should be budgeted in Account Code 7099.

Overload Jobs

- Departments should budget sufficient funds for overload jobs which include recurring special pays, and cell phone allowances. Report [RPT_NBAJOBS_015 – Overloads Report](#) located in the Budget Human Resources Folder provides a list of overload jobs and associated funding sources.
- All overload jobs with the exception of Cell Phone Allowances and Supplemental Retirement Contributions will automatically end on August 31, 2011. An e-PAF must be submitted to reinstate these overload jobs.
- An e-PAF should be processed to change funding on Cell Phone Allowance overload jobs.

Other Budget Guidelines

Use of Fund Balance

- Fund balance may only be used for one-time expenditures such as capital and faculty startup
- During FY 2012, fund balance may also be used as transition funding to implement budget reductions.
 - The use of fund balance to fund budget reductions may only be used in FY 2012.
 - A detailed plan of how the budget reduction will be implemented must be submitted to Penny Harkey in the Budget Office by June 27th. This plan **should not** be submitted in the justification section of the Budget Development Module.
- A justification for fund balance for any use of fund balance must be provided in the justification section of the Budget Development module of the Budget Prep System.
 - For one-time expenditures, the justification should include the specific use of the budgeted fund balance.
 - If the funds are used for fund balance, a short statement should be included and the detailed plan outlined should be submitted.

President's Institutional Development (IDF) Fee

- The President's IDF Fee assessed to practice plan income has been increased from 2% to 2.5%

beginning in FY 2012.

- Allocated transfers should be adjusted appropriately.

Fringe Benefits

- Insurance rates have not been set by ERS at this time. An estimated 7% increase has been included in the Budget Prep System.
- Lump Sum Vacation Pool is decreasing from 1% to .8%
- Worker's Compensation will decrease from .6% to .3%
- Retiree Insurance Pool will increase from .5% to .8%

Professional Liability (School of Medicine)

- Professional liability premiums, including abated premiums, should be budgeted using the FY 2012 professional liability rates.

Transfers

Transfers codes should only be utilized for the exchange of funding between two separate funds.

Transfers are separated into the following types:

- Transfer for Goods or Services
 - A transfer will be made for payment of goods or services
 - Use Account Codes 8095 (Internal Purchases In) and 8096 (Internal Purchase Out).
 - The accounting transfer transaction will be initiated by the department during the fiscal year.
- General Funding Transfer
 - Funding will be transferred from one fund to another for general funding purposes.
 - Use account code 8001 for the transfer in and 8002 for the transfer out.
 - The accounting transfer transaction will be processed at the beginning of the fiscal year based on the original operating budget.

Multi-Year Current Restricted Funds

- Multi-year current restricted accounts should be updated in the Salary Planner module of the Budget Prep system only.
- The establishment and revision of all budgets on these funds must be processed on a budget revision.

Budget Validation Process

Departments should use the following process to validate that the FY 2012 budget is complete and accurate. The Budget Office will use this same process to review and validate the FY 2012 budget.

Personnel

- Run the following reports and edits to verify salaries, position budgets and labor distributions for all employees are correct:
 - EDT_SPLAN_008 – Position Budget <> Employee Salary Single Posn
 - EDT_SPLAN_022 – PLBD <> 100%
 - EDT_SPLAN_022 – JLBD <> 100%

Revenue Budget is Accurate

- The revenue budget for each fund should be based on the annual anticipated revenue for FY 2012.
- The Budget Office will evaluate the reasonableness of the revenue budget for each fund using the following report.
 - RPT_BUDEV_006 – Variance Report
- Departments should be prepared to justify any significant revenue changes between FY 2011 anticipated revenue and FY 2012 budgeted revenue.

Expense Budget is Sufficient

Fringe Benefits and Longevity

- Fringe benefits must be budgeted for all non E & G funds.
- Verify fringe Benefits (6007) and Longevity (6005) budgets are sufficient each FOP with a salary budget. The following reports and edits are available to assist in this process.
 - RPT_SPLAN_003 – Fringe Benefits Estimate –
 - This report only includes fringe benefits for employee positions. The Fringe benefit budget should be adjusted for other salaries including Overtime, Special Augmentation, Faculty On Call Pay, Additional Compensation, etc.
 - RPT_SPLAN_004 – Longevity Estimate
 - EDT_BUDEV_008 – Salary Budget no Longevity Budget
 - EDT_BUDEV_000 – Salary Budgets with no Fringe Budget

Other Account Codes

- Sufficient budget exist for all account codes based on the anticipated expenditures for the entire fiscal year.
- Departments should pay particular attention to budgets in the following salary account codes:
 - Special Augmentation (6004)
 - Other Employee Payments (6008)
 - Faculty On Call Pay (6009)
- Use the following reports and edits to verify the expense budget is sufficient for FY 2012 and is budgeted in the correct FOAP combinations.
 - RPT_BUDEV_006 – Variance Report
 - EDT_BUDEV_002 – Invalid Fund Program Combination
 - EDT_BUDEV_003 – Invalid Fund Orgn Combo
 - EDT_SPLAN_024 – Terminated Fund/Orgn Report

Transfers

- All transfers have been updated in the Budget Prep transfer system to reflect the amount to be transferred in FY 2012.
- Transfer reports within the Budget Prep transfer system should be used to verify that all transfers are balanced.

Budget is Balanced

- All E & G Budgets are limited to the target amount distributed by each Vice President or Dean.
 - Revenue should be adjusted in each E & G fund to match the target provided by the Dean or Vice President.
- The revenue budget plus any use of fund balance must equal the expense and net transfer budgets for each fund. The following report should be used to verify all funds are balanced.
 - RPT BUDEV 003 Funds Out of Balance Report

Fund Balance Justification

- A justification for the use of fund balance has been entered into the Budget Prep System. The following report displays the use of all fund balance and any justifications provided in the Budget Prep system.
 - RPT BUDEV 004 Fund Balance Usage Report
- A detailed budget reduction implementation plan of budget reductions funded by fund balance in FY 2012 has been submitted to Penny Harkey in the Budget Office.

Contact Information

If you have any questions concerning these guidelines or require additional information, please call the Budget Office at 743-7717. Below is a list of Budget Office personnel and their associated Budget Prep responsibilities.

Mike West (Ext 403)	School of Allied Health Sciences School of Medicine – El Paso
Gina Stockman (ext 404)	School of Medicine – Odessa School of Nursing
Crystal Furgerson (ext 406)	School of Medicine – Amarillo School of Pharmacy Information Technology Graduate School of Biomedical Sciences Research
Sheralyn Mathison (ext 409)	School of Medicine – Lubbock - Administration and Clinical
Leticia Almaguer (ext 410)	President, Institutes, Academic Affairs Rural and Community Health
Kevin McIntyre (ext 412)	Finance and Administration – All Campuses
Lesley Wilmeth (ext 407)	Correctional Managed Health Care School of Medicine Lubbock – Basic Sciences

You may also contact Penny Harkey (ext 411).