Salary and Wage Budgeting

Personnel Services costs approximate $100 million of the university’s total annual budget, and nearly 80% of the appropriated (tuition and tax supported) budget. Delivering superior higher education in a traditional university context is labor intensive and costly. Finding efficiencies in the deployment of personnel is vitally important for the university to achieve near term and long term financial sustainability. The following budget practices support cost control and accountability in mission execution.

Definitions:

- **General Pooled Budget Accounts**: These include the following account codes
  - 61000 Salary and Wages Pool
  - 62700 Fringe Benefits Pool
  - 71000 Direct Expenditures Pool
  - 71500 Capital Expense Pool
  - 77100 Resale Pool

  Expenditures are not usually applied against the General Pooled Budget accounts. These accounts usually provide the overarching budget authority for accounts that fall within their hierarchy.

- **Position-budgeted Salary and Wage Accounts**: These accounts are usually budgeted on a position by position basis within the account code.
  Examples:
  - 61110 Administrative Professional Salary
  - 61130 Faculty Regular Salary

- **Salary and Wage Accounts Line Item Accounts**: These accounts are not budgeted by position. Budgets for these accounts are estimates of total expected annual costs. A budget is created to provide the necessary budget authority for the account.
  Examples:
  - 61154 Faculty Overload On Campus
  - 61160 Graduate Assistants
  - 61241 Civil Service Overtime
  - 61310 Student Regular Salary

Salary and Wages are budgeted differently in the different ledgers. It depends on the source of funding:

- Appropriated (Ledger 1) salary and wage costs are budgeted by individual position for each permanent and semi-permanent position. However, salary and wage costs are estimated in total by salary and wage line item for such costs as overloads, summer help, temporary faculty extra help, temporary civil service extra help, student help and overtime.
• Local (Ledger 2) personnel services are budgeted at pool level 61000 and only line item budgeted for select categories such as Student Help 61310. Budgets are not established for each position.

• Bond (Ledger 3) salary and wage costs are budgeted by individual position for each permanent and semi-permanent position. However, salary and wage costs are estimated in total by salary and wage line item for such costs as overloads, summer help, temporary faculty extra help, student help and overtime. Ledger 1 and Ledger 3 salary and wage budgets are managed in the same manner.

• Gifts/Grants (Ledger 5) – the entire expenditure budget is budgeted at the 61000 Salary and Wages pool level whether it will be utilized for personnel services or non-personnel service expenditures.

Below are brief descriptions for each personnel service account within Banner. If a budget transfer (i.e., adjustment) is needed to establish or revise a budget for one of the below accounts, please submit a transfer form to the Budget Office. Transfer forms can be found by clicking here.

**Administration Professional Salary** – (Account code 61110)

**Department Chairpersons** – (Account code 61120)

**Faculty Regular Salary** – (Account code 61130)

Position numbers consist of a six character alpha-numeric code which is unique for each permanent/semi-permanent position. Administrative Professional position numbers start with “A”, Department Chairperson position numbers start with “B”, and Faculty position numbers start with “F”. These positions are classified as “single” positions within Banner which means that there can only be one employee on a position at a time.

A budget is placed on each permanent position through the HR module (NBAPBUD) of Banner instead of pooled at the 61110, 61120, and 61130 account codes. There are reports (e.g., Budget Management Report) in Argos to verify that the data on each position is accurate. It is the Financial Manager’s responsibility to review and communicate with the Budget Office when there is a need to adjust a position budget.

It is the Budget Office’s responsibility to process budget adjustments, and to make personnel budget adjustment recommendations. Position budget control is a joint responsibility and collaboratively executed by financial managers and the Budget Office.

Personnel Authorization Request (PAR) Forms on the Human Resources website (click here for link) are used to initiate all transactions relating to Administrative Professionals, Department Chairs, Unit A Faculty, and Unit B Faculty with contracts 50% and greater. If you need assistance completing the forms, please contact the Human Resource Employment Office at 581-3463.

The Budget Office processes position budget adjustments based on information received via PARs, NBAJOBS, and Financial Manager communication.
**Faculty Summer School** – (Account code 61140)

Faculty Summer School positions all start with “S”. These are budgeted as a line item budget in Banner and not by position number. Faculty Summer School positions within Banner are considered “pooled” positions which means that more than one employee can be on the same position number. The School of Continuing Education is the Summer School Coordinator. Summer School positions should be funded only from organizations starting with “120S” and “126T” for appropriated expenditures. If there are expenditures hitting the Faculty Summer School account (61140) for an organization that is not a “120S” or “126T” organization, there is likely an error. The Human Resources Employment Office at 581-3463 should be contacted to assist with any corrections.

**Faculty Continuing Education** – (Account code 61151)

Faculty Continuing Education positions all start with “RCE”. These are budgeted as a line item budget in Banner and not directly against the position number. Faculty Continuing Education positions within Banner are considered “pooled” positions which means that more than one employee can be on the same position number. These positions should all be funded from the School of Continuing Education organizations. The School of Continuing Education is the coordinator of all Faculty Continuing Education contracts.

**Faculty Temporary Extra Help** – (Account code 61152)

Faculty Temporary Extra Help positions all start with “M” (commonly M09960 & M09920). All of these positions are budgeted by line item in Banner and not by individual position number. These positions within Banner are also considered “pooled” positions which means that more than one employee can be on the same position number.

Faculty Temporary Extra Help positions include Unit B Faculty who are contracted less than 50%. Note that Salary and Wage expenditures that hit Faculty Temporary Extra Help 61152 may also include Administrative Temporary Extra Help positions and their lump sum payments.

Forms on the Human Resources website (click here for link) are used to initiate all transactions relating to Faculty and Administrative temporary extra help. If you need assistance completing the forms, please contact the Human Resource Employment Office at 581-3463.

**Faculty Overload On Campus** – (Account code 61154)
**Faculty Overload Off Campus** – (Account code 61155)

Faculty Overloads ON Campus positions start with “ROL” and Faculty OFF Campus positions all start with “RCEOL”. All of these positions are budgeted as a line item budget in Banner against the 61154 and 61155 accounts. These positions within Banner are considered “pooled” positions which means that more than one employee can be on the same position number.
All Continuing Education overloads should be coded to Faculty Overload Off Campus (61155). Faculty Overload On Campus (61154) costs usually are expensed at the department within a College level. Overload amounts are based on the negotiated faculty contract agreements.

**Graduate Assistant Employment** – (Account code 61160)

Graduate Assistant position numbers start with “G”. These are budgeted as a line item budget in Banner and not directly against the position number. Graduate Assistant positions within Banner are considered “pooled” positions which means that more than one employee can be on the same position number.

When hiring a graduate assistant, calculate the estimated budget needed for the fiscal year and verify that there is sufficient budget in the 61160 account code within your Banner Organization.

The Graduate School is the department that coordinates the hiring of Graduate Assistants.

**Faculty Accrued Leave Payout** – (Account code 61171)
**Faculty Sick Leave Payout** – (Account code 61172)
**C. S. Accrued Leave Payout** – (Account code 61271)
**C. S. Sick Leave Payout** – (Account code 61272)

Accrued Leave and Sick Leave Payout account codes are utilized when an employee receives payment upon retirement or other termination from the university. In some cases, Sick Leave Payouts are partially paid out prior to an employee retiring from the university with an approved IRREVOCABLE election to separate from the university on file. Expenditures hitting these account codes will appear in ledgers outside of the appropriated ledger.

Financial managers who are aware of an employee who intends to retire within the fiscal year and who are paid from non-appropriated funds should budget for this type of expenditure.

Note: The 61171 Faculty Accrued Leave Payout and 61172 Faculty Sick Leave Payout account codes are not used just for Faculty. These account codes are also used for Administrative Professionals and Departmental Chairpersons.

**Civil Service Regular Salary** – (Account code 61210)

Civil Service position numbers start with “C”. These positions are classified as “single” positions within Banner which means that there can only be one employee on a position at a time. Civil Service positions are budgeted specifically for each position within the HR module of Banner instead of pooled at the 61210 account code. There are reports in Argos (e.g., Budget Management Report) to assist with verifying that the data the Budget Office has placed on each position is accurate.

It is the Financial Manager’s responsibility to review and communicate with the Budget Office when there is a need to adjust a position budget.
It is the Budget Office’s responsibility to process budget adjustments, and make personnel budget adjustment recommendations. Position budget control is a joint responsibility and collaboratively executed by financial managers and the Budget Office.

Forms on the Human Resources website (click here for link) are used to initiate all transactions relating to Civil Service Positions. If you need assistance completing the forms, please contact the Human Resource Employment Office. The Budget Office processes position budget adjustments based on information received via PARs, NBAJOBS, and Financial Manager communication.

**C. S. Temporary Extra Help** – (Account code 61230)

Civil Service Temporary Extra Help position numbers start with “T”. These positions are classified as “single” positions within Banner which means that there can only be one employee on a position at a time. These are budgeted as a line item budget in Banner and not directly against the position number. When hiring a civil service temporary extra help employee, calculate the estimated budget needed for the fiscal year and verify that there is sufficient budget in the 61230 account code within your Banner organization.

Note that Banner calculates payroll encumbrances based upon rate of pay, how many hours per pay period, and how many pay periods are left within the fiscal year. If there is not an end date on NBAJOBS, Banner will calculate the encumbrance as if the employee will work till June 30th of the fiscal year. This process calculates a salary and wage encumbrance in Banner which may exceed the budget and the amount needed for C.S. Temporary Extra Help.

Please work with the Human Resources Employment Office to apply a correct estimated end date in NBAJOBS and to apply an accurate number of hours per pay so that the encumbrance accurately reflects the anticipated cost. This can be challenging for certain types of civil service temporary extra help positions. Year-to-date (YTD) expenditures should not exceed the budget for account code 61230 within Appropriated (ledger 1) and Bond (ledger 3). If there is a deficit, a Transfer Form should be processed to resolve the deficit.

Forms on the Human Resources website (click here for link) are used to initiate all transactions relating to Civil Service Positions. If you need assistance completing the forms, please contact the Human Resource Employment Office. The Budget Office processes position budget adjustments based on information received via PARs, NBAJOBS, and Financial Manager communication.
C. S. Overtime – (Account code 61241)
C. S. Holiday Premium – (Account code 61242)
C. S. Shift Premium – (Account code 61243)
C. S. Differentials – (Account code 61244)

Civil Service overtime, holiday premium, shift premium, and shift differential account codes are used when a civil service employee earns wages within these account codes. These account codes are budgeted as a line item budget in Banner and not directly against a position number.

If an Appropriated (ledger 1) or Bond (ledger 3) organization has employees who typically have expenditures in any of the 6124X account codes, a budget should be established for the estimated annual 6124X expenditures within the organization and account. Union contracts, which can be obtained from Employee and Labor Relations, and the EIU website, can provide the necessary details to support budget estimates. Historical expenditure patterns are also relevant in many instances.

Student Employment – (Account codes 61310 & 61320)

Student position numbers start with “D” (regular student help - 61310) or “W” (Federal Work Study student - 61320). These are budgeted as a line item budget in Banner and not directly against the position number. Student positions within Banner are considered “pooled” positions which means that more than one employee can be on the same position number.

Student employment forms can be found by clicking here. Financial Aid processes student employment forms. When hiring a student employee, calculate up the estimated budget needed for the fiscal year and verify that there is sufficient budget in the 61310 account code within the Banner Organization. If you are hiring a Federal Work-Study student, the expense account code will be 61320 within a Ledger 5 Organization and you will need to monitor closely so that the expense doesn’t exceed the award amount. If you would like to make a request for a Federal Work Study student, contact the Financial Aid department for more information.

Student RA (Room/Board) – (Account code 61311)

Student room and board expenditures typically only exist in the bond housing organizations for fall and spring. These are budgeted as line item budgets in Banner.

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