

PRELIMINARY DRAFT
UNIVERSITY OF NEW MEXICO
GUIDELINES FOR COMPLETION OF
2017-18 OPERATING BUDGET PLANS

I. GENERAL INFORMATION

Outlined herein are the guidelines, including salary adjustment policies, to be followed for the completion of the Fiscal Year 2017-18 Operating Budgets for all units of the University.

Deadline for Submission of Operating Budget Plans

All Instruction & General and Non-Instruction & General (research, public service, auxiliaries, internal service, etc.) final department budget plans must be completed **no later than April 17, 2017 5pm**, unless other arrangements have been made with those offices. Final budget plans for Branch Campuses must be completed by **April 19, 2017 5pm**. Final budget plans for Colleges, Schools, and Student Affairs at Org Level 2 and Org Level 3 must be completed by **April 20, 2017 5pm**. Final budget plans for VP Units must be completed by **noon on April 24, 2017**.

Lock dates can be found on the UNM Budget Development Calendar FY17-18 located on the Office of Planning, Budget and Analysis website:

<http://budgetoffice.unm.edu/assets/documents/budget/bud-dev-calendar.pdf>.

Operating Budget Plans are required for all unrestricted indices; otherwise, expenditures for salaries and other expenses for Fiscal Year 2017-18 will not be processed.

Other Available Sources of Information

In addition to the online course, there are several other areas where you can find information on Budgeting and Budget Planner.

A. Budget Planner Overview: Gives detailed information on the budget process and an overview of the system. The overview is available on the Office of Planning, Budget and Analysis website:

<http://budgetoffice.unm.edu/assets/documents/budget/budgetplanneroverview.pdf>.

B. Standard Operating Procedures (SOPs): SOPs give detailed step-by-step instruction on functions associated with budget building in Salary Planner and Budget Development. The SOPs can be found on the Office of Planning, Budget and Analysis website: <http://budgetoffice.unm.edu/budget/index.html>.

C. Working Sessions: These sessions will take place in the Technology in Education Center and will be available from March 29, 2017 through April 13, 2017. The sessions will allow you the opportunity to bring in your own budget information and receive assistance inputting your budgets into Budget Planner. Registration through Learning Central is not required. The Working Sessions locations, dates and times can be found on the Office of Planning, Budget and Analysis website:

<http://budgetoffice.unm.edu/budget/working-sessions.html>.

II. SALARY ADJUSTMENT POLICIES

A. Main Campus I&G: No additional funds are allocated for salary increases for organizations funded by the Main Campus I&G Pooled Funds. For budgeting purposes, please reference the following guidelines.

1. Faculty Compensation:

- a. No additional funds are allocated for faculty salary increases¹. Please reference The Office of the Provost & Executive Vice President for Academic Affairs Budget Guidelines for additional information:

2. Staff Compensation:

a. Regular Non-Bargaining Unit Staff:

- No additional funds are allocated for staff salary increases.
- Reference the Human Resources 2017 Mass Salary Update Guidelines for details.

b. Staff in the Collective Bargaining Units: No additional funds are allocated for staff salary increases covered by collective bargaining agreements. Salary increases for bargaining unit employees are subject to the applicable collective bargaining unit agreement, except as noted in the Human Resources 2017 Mass Salary Guidelines.

3. Teaching Assistant and Graduate Assistant Stipend Adjustments: No additional funds are allocated for staff salary increases.

4. Student, Temporary, and On-Call Employees: No additional funds are allocated for student, temporary, or on-call employee salary increases.

B. Health Sciences Center: Please reference the FY17-18 Budget Guidelines issued by the Health Sciences Center for information regarding Health Sciences Center employee salary increases and other budgetary changes:
<http://hsc.unm.edu/financialservices/budget/budget-information.html>.

C. Branch Campuses and Graduate Centers: Branch Campuses and Graduate Centers will follow the same guidelines as the Main Campus.

D. Non-I&G Organizational Units: Organizational units not directly funded by I&G appropriated funds, such as separately appropriated Research & Public Service organizations, Auxiliaries, Internal Services, etc., will follow the guidelines for Main Campus I&G.

¹ The final determination of salary increases for Health Sciences Center Faculty and Staff will be determined by the Chancellor for Health Sciences.

E. UNM Non-Bargaining Unit Staff: Please reference the Human Resources Salary Ranges: <https://hr.unm.edu/unm-staff-salary-structure>.

III. INFLATIONARY INCREASES FOR GENERAL SUPPORT

A. Main Campus I&G: No additional allocation has been made for increases in general support expenses.

B. Non-I&G Organizational Units: Units in this group may adjust for inflationary increases if funds are available.

IV. SUPPLEMENTAL INFORMATION FOR UNITS AND PROGRAMS THAT INCLUDE FRINGE BENEFITS AND ADMINISTRATIVE OVERHEAD IN THEIR BUDGETS

A. Main Campus Administrative Overhead: Units affected by this will be informed of the amount which they should budget for FY17-18.

B. Branch Campuses Administrative Overhead: Branch campuses will be informed of the amount which they should budget for FY17-18.

C. Fringe Benefits:

1. General Guidelines for Budgeting Fringe Benefits: Note, you must budget for **each account code** that you are incurring fringe benefit expenses on. You may use the Chart below to budget for each account code.

Estimated Averages* for Budgeting Purposes - Calculate Benefits as a percent of salary, see below.

Acct Code	Benefits	Faculty	Staff	Temp Faculty & Temp/On Call Staff	Other Students	Graduate Students (GA/TA/RA/PA)**
2110	FICA Gen (Includes Medicare)	6.90%	7.20%	7.09%	n/a	n/a
2140	Retirement	13.90%	13.90%	n/a	n/a	n/a
2160	Group Insurance	8.19%	11.19%	n/a	n/a	13.02%
2180	Unemployment Compensation	0.07%	0.07%	0.07%	n/a	n/a
21A0	Workers Compensation ***	0.10%	0.10%	0.10%	0.10%	0.10%
21J0	Misc. Other Benefits	4.10%	4.10%	n/a	n/a	n/a
21L0	Accrued Annual Leave	0.01%	0.01%	n/a	n/a	n/a
21L1	Catastrophic Leave	0.01%	0.01%	n/a	n/a	n/a
	Total	33.28%	36.58%	7.26%	0.10%	13.12%

* The above rates are **Averages**, if your department's actual cost are higher, then use your own estimates.

** Not shown above are **Tuition Waivers** for GA/TA/RA/PA. Refer to Graduate Office Policy to estimate budget for Tuition Waivers.

*** Use Workers Comp Rate of 1.0% for employees in hazardous positions.

2. Additional Fringe Benefits Information:

- a. **Retirement:** No rate increase expected; compute at 13.90% of salaries exclude GA/TA/RA/PA, students, temporary, and on-call.
- b. **Social Security and Medicare (FICA):** No rate increase is expected. Use the chart above, or use your own department cost estimates if they are higher than average. Exclude GA/TA/RA/PA, students, temporary, and on-call. The rate currently is 7.65% for salaries up to \$127,200.
- c. **Group Insurance:** Increase of 4.60% is expected for staff & faculty, compute using the chart above or use your own estimates if they are higher. Increase of 15% is expected for GA/TA insurance.
- d. **Unemployment Compensation:** Decrease is expected, compute using 0.07% of salaries. Exclude GA/TA/RA/PA and students.
- e. **Workers Compensation:** Compute using chart above, or compute at 0.06% of employee salaries in non-hazardous positions and 1.00% of employee salaries in hazardous positions.
- f. **Miscellaneous Other Fringe Benefits:** Compute at 4.10% of salaries within unrestricted funds or 3.04% of salaries within restricted funds. Exclude GA/TA/RA/PA, students, temporary, and on-call.

V. OTHER BUDGET CONSIDERATIONS

- A. **Automobile Insurance:** The State of New Mexico provides insurance for automobiles which belong to the University. The State sets the rates and those rates result in the per-vehicle charge each year, however they have not yet finalized the rates, the FY18 estimated rate is \$27.22 per-vehicle, per-month or \$326.64 per-vehicle, per year. The FY18 estimated rate for an electric vehicle (including Gems and NEIs) is \$13.61 per-vehicle, per-month or \$163.32 per-vehicle, per-year. If you have a UNM vehicle, the charge will automatically be deducted from your index utilizing account code **70J0**, (Auto Insurance Gen). Safety and Risk Services will then use those funds to pay the State. Include these estimated figures as you plan your FY18 budget.
- B. **Information Technologies and Parking Related Fees:** Please reference the respective web sites for any fee updates.
- C. **Procurement Payment Service Charge (Banner Tax):** A University-wide service charge will be assessed monthly to each Banner Index in the amount of 1.00% of non-salary expenses in order to fund the on-going cost of Banner. The charge will generally exclude non-procurement expenses such as Financial Aid, Cost of Goods Sold, Cost Share, and F&A overhead charges on restricted accounts. This amount should be budgeted in account code **80K0**, (Banner Tax).

D. Procurement Payment Surcharge (Foundation): A Foundation surcharge of 0.50% on all unrestricted current fund dollars to support the University of New Mexico foundation operations. The surcharge is calculated on total expenditures, labor, materials, and all other expense account codes with some exclusions. This amount should be budgeted in account code **80K2**, (Foundation Surcharge). Branches are excluded from the Foundation Surcharge.

E. Deferred Compensation: Departments will budget the appropriate expense amount in account code **2140**, (Retirement Gen) of the applicable index. Human Resources will charge the department index and credit the liability account 514003-L110 and process the DPEZs to TIAA-CREF.

F. Allocations and Transfers: Within I&G, the allocation from your VP Representative should be budgeted in account code **1640**, (Allocations Pooled Allocation Gen).

I&G and Non-I&G indices with revenue budgeted and received in one index to be spent in another index must be budgeted as a transfer or an allocation in the spending index. If indices are within the same fund, an allocation must be budgeted using a 16xx account code (other than 1640). If indices are not in the same fund, a transfer must be budgeted using 11xx, or 12xx account codes as appropriate. Cost Share transfers must be budgeted for if you expect to make transfers from current unrestricted fund indices.

G. Student Fees: If Main Campus I&G units have outside revenue from student course fees or other student related fees, these should be budgeted in the index where the expenses will occur. In order to charge these fees to the students, they must be approved by the Board of Regents and be listed in the Schedule of Classes.

H. Internal Service Center/Internal Sales: Account codes **061x**, (Internal Service Center Internal Sales) are reserved for Internal Services units only (program code P181).

I. Use of Reserves: (Budgeted Use of Reserves Account Code **1901**). For Fiscal Year 2018, Main Campus units are **not allowed** to budget use of reserves unless it is **preapproved** by your org level 2 EVP representative. To obtain approval, please submit a memo to your Fiscal Agent with the justification.