

FY15 Budget Target

The FY14 base budget was the starting point for computing your FY15 budget target. The individual lines of the base budget have been adjusted by the approved increase or decrease. Funding for extraordinary increases, new initiatives and program enhancements approved for FY15 were added to your target in the FY15 column.

While the target includes only broad categories, you should budget all of the expenditure lines from which you expect to spend.

Staff Salaries and Benefits

The approved FY15 budget framework includes funding for a 3.00% salary increase pool for non-union staff. As detailed in the materials from Human Resources (e-mailed separately), this allocation includes a performance pool of 2.75% and an equity/promotion pool of approximately .25%. The performance pool of 2.75% has been included on your budget target. Human Resources will manage the .25% equity pool for all units funded from University appropriations. All areas that have staff salaries funded from auxiliary operations, endowment funds, restricted gifts, or research grants should allocate a performance pool of 2.75% and an equity/promotions pool of .25% for those staff. Please refer to the materials from Human Resources for guidance on distributing the salary increase pools.

Your budget target includes funding for the salaries of all positions (or portions of positions) funded from your base budget. This may include positions funded from University appropriations, auxiliary enterprises, endowments and some gifts.

New Benefit Rates

Your budget target has been adjusted to reflect the approved benefit rates for FY15:

<u>Category</u>	<u>Rate</u>
Faculty	30.2%
Admin Staff/Weekly	30.2%
Minimum	7.5%

In FY15, the University will continue to depend on the recovery of more than \$4.6 million of vacancy savings from departments. Those expected savings have already been redirected to fund critical academic priorities in the FY15 budget. During the year, the Budget Office will recapture the salary and benefit savings from vacant positions funded from University appropriations. Savings are recouped from the time a position becomes vacant until the new incumbent begins work.

In preparing your budget, please remember that you should budget sufficient funds on each salary and benefit line to cover all of your positions for a full year. Funds budgeted in salary and benefit spend categories may not be transferred to other spend categories during the year unless the unit makes permanent reductions/eliminations to positions in its staffing plan.

Endowment Payout

For FY15, the Corporation approved a 4% increase in the income distributed per share of endowment.

Total Funds Budget

For those operations supported by more than just University appropriations, the budget target includes a “total funds budget” – a comprehensive view of the base budget expenses for your areas. Your target also shows a “budget target distribution,” a breakdown of the base budget by the sources of support, namely University appropriation funds, restricted endowments, and restricted gifts. Your target may also include the use of some endowment and gift account balances. The use of these balances has been projected based on input from individual departments, the Controller’s Office, and the Advancement Office. Units should review these accounts and develop plans to access these funds. Please contact the Budget Office if you think any changes may be necessary to the projections.

The target lists the funding from each source individually. As you manage your operations during the year, you will need to watch not only the total amount you spend, but also how those expenses are distributed across your funding sources. For example, your target might include a total funds budget of \$2 million, distributed as \$1 million from University appropriations and \$1 million from restricted endowment. The budget that you submit for next year should then show \$1 million budgeted in University appropriations (General Operating Funds) and \$1 million budgeted in endowment accounts (Gifts). In addition, at the end of the fiscal year, your actual expenditures should also be split: \$1 million in University appropriations and \$1 million in endowment accounts.

The staff in the Budget Office and Controller’s Office will work with you to ensure that your budget and actual expenses are recorded correctly.

Preparing Your FY15 Budget

Departments will enter and submit their FY15 budgets using Brown’s new budget planning system. It is a cloud-based computing system that is accessed securely from the Internet using Google Chrome.

As you know, the University is now live with Workday Financials and you will be preparing and submitting your budget using the Workday financial data model. Members of your staff have been notified about training on the new budget planning system. Registration is managed via LearningPoint, with training sessions scheduled through April 24th. If you have additional users that need access, please contact Debbie Moser at extension 3-2786.

The URL to access the budget planning tool is: <https://brown.tidemark.net/login>. A User’s Guide is available from the Budget Office website.

Your staffing plan includes all budgeted and approved positions as of January month end. The positions and salaries in the planning tool may not agree with your current organizational structure in Workday because of personnel changes you made during the year. Please revise your staffing plan as necessary so that it accurately reflects proposed FY15 position and salary information.

Your budget submission must include an updated staffing plan that includes all filled and vacant positions (faculty, staff and union positions) on the regular payroll, as well as all other compensation such as overtime and limited duration payroll. You should continue to budget for all vacant positions except those that are being eliminated as of June 30, 2014.

Submitting Your Budget

The budget system will be available for data entry for FY15 from April 21 through May 30, 2014. Each division may set an earlier due date to allow for review and adjustments before submitting your final FY15 budget to the Budget Office. Please consult with your senior officer to confirm the due date for your materials. When you have completed your budget and staffing plan, please email the Budget Office. The budget you submit should be in balance and distributed correctly between the sources of funding identified on your target. Please submit your completed budget by May 30, 2014.

Please remember that the salary increase and budget processes are taking place simultaneously. You should complete the salary increase process for Human Resources by May 30, 2014.

If you have any questions or need assistance with any aspect of the budget process, please contact the Budget Office at extension 3-2786.