

## FY16 Budget Target

The FY15 base budget was the starting point for computing your FY16 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 FY16 were added to your target in the FY16 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 FY16 budget framework includes funding for a 2.75% 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 2.25% and an equity/promotion pool of approximately .50%. The performance pool of 2.25% has been included on your budget target. Human Resources will manage the equity/promotion pool for all units funded from University appropriations. All areas that have staff salaries funded from auxiliary operations, endowments, restricted gifts, or research grants should allocate from those funds a performance pool of 2.25% and an equity/promotions pool of .50% 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 restricted gifts.

## New Benefit Rates

Your budget target has been adjusted to reflect the approved benefit rates for FY16:

<u>Category</u>	<u>Rate</u>
Faculty	30.5%
Admin Staff/Weekly	30.5%
Minimum	7.5%

In FY16, 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 FY16 budget. During the year, the Budget Office will recapture the salary and benefit savings from vacant positions funded from University appropriations.

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 for salaries and benefits may not be transferred to other spend categories during the year unless the unit makes permanent reductions/eliminations to positions in its position budget.

## Endowment Payout

For FY16, the Corporation approved a 5% 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 to discuss these projections as necessary.

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 FY16 Budget**

Departments will develop and submit their FY16 budgets using Tidemark, Brown’s budget planning system. It is accessible from a link in Workday for all authorized users. Members of your staff have attended training on Tidemark and executed a new confidentiality agreement because the system gives them access to highly sensitive information. A User’s Guide as well as links to other help and resources is available from the Budget Office website.

Your budget submission should include an updated position budget 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. The position budget should be updated to reflect proposed FY16 position and salary information. The salaries and benefits from your position budget will automatically flow to the appropriate salary and benefit lines in your financial budget. You should continue to budget for all vacant positions in FY16 except those that are being eliminated as of June 30, 2015.

### **Submitting Your Budget**

Tidemark will be available for budget development and data entry for FY16 from April 13 through May 18, 2015. After that date, departmental access will be changed to read only to allow users to view and report on their budgets until they are loaded to Workday. Each division may set an earlier due date to allow for review and adjustments before submitting your final FY16 budget to the Budget Office. Please consult with your senior officer to confirm the due date for your materials. When you have completed your financial and position budgets, please email the Budget Office. The budgets 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 18, 2015.

Please remember that the salary increase and budget processes are taking place simultaneously. Departmental salary recommendations are due to senior officers no later than May 8, 2015 (or earlier if requested by your senior officer) and all final recommendations on salaries from senior officers need to be submitted to University Human Resources by May 18, 2015.

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