

FY05 BUDGET INSTRUCTIONS

PHASE III

PREPARING BUDGETS IN CUFS

OFFICE OF

BUDGET AND FINANCE

<http://www.budget.umn.edu>

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I. PHASE III OVERVIEW

INTRODUCTION

Phase III of budget development concentrates on building Org-level resource and expenditure budgets in CUFS. Resource responsibility center (RRC) managers will guide departments in using the on-line budgeting tables to set up annual budgets in CUFS. These budgets include allocations approved by deans, chancellors, senior vice presidents, or executive unit heads as well as resources expected in all other current, non-sponsored funds.

The FY05 budget prep process and sequence of events is similar to that of prior years. Budget Prep tables will open on **April 5** and close to general users on **June 1** and to RRC managers on **June 5**. For users in the Academic Health Center (AHC) the deadlines are slightly different. The last day for general users in the AHC to make changes to the AHC budget system will be **May 27**. The last day for RRC managers in the AHC to make changes to the AHC budget system will be **June 3**. See **Appendix A** for a complete list of significant dates and events of Phase III budget development. It is anticipated that FY05 Allocation worksheets will be distributed to deans, chancellors, senior vice presidents, and executive unit heads sometime in early May for use in entering budgets.

This guide, *FY05 Budget Instructions Phase III*, describes changes to the budget prep process for FY05, and provides information specific to budgeting for FY05. Specific instructions on how to enter the budgets into CUFS tables are in the *FY05 Budget Prep Table Data Entry Reference* manual available from Training Services. The manual is provided to anyone who attends a budget prep training class, anyone who received one last year, or by request from Training Services (612) 626-1373 trngsvcs@umn.edu.

It is also available in PDF format at <http://training.finop.umn.edu/BP/BudgetPrepmaterials.html>.

EXPECTED OUTCOMES OF BUDGET PREPARATION

Participants in Phase III budget development should strive to fully meet the following expectations:

- ❑ All budget input will be completed during the 8-week budget entry period. Tables open April 5. They close to general users on June 1 and to RRC managers on June 5.
- ❑ FY05 account information will be available in PeopleSoft HRMS beginning May 3, 2004.
- ❑ All budget information will be entered using the Budget Prep tables and the procedures described in these instructions. **Under no circumstances should departments attempt to enter FY05 budget lines using future dated (FY05) EB and RB documents.**
- ❑ Budgets will be prepared on orgs in all current, non-sponsored funds. For departments opting to participate in the equipment replacement/reserves program, budgets should also be entered on equipment replacement/reserve orgs in the plant fund.
- ❑ Budgets will represent annual plans; so few budget adjustments will be needed throughout the year.
- ❑ All anticipated resources will be included in building budgets—carryforward, FY05 allocations, revenues, and transfers-in. All anticipated expenditures and transfers-out will be included in budget plans. It is acceptable for a budget plan to have a positive ending balance, representing resources that

will not be spent during FY05. Ending balances do not need to be entered into revenue source codes or expenditure object codes such as 9500, Departmental Reserves in CUFS. They will, however, appear on the CUFS summary tables BMOD and RLUP. Ending balances are also on the UA821 and other month-end rollup reports that follow the basic budget model. Again, ending balances should never be budgeted in object code 9500, Departmental Reserves.

- ❑ Budget plans at the AREA level by FUND should not include ending deficits. In other words, planned expenditures and transfers-out should not exceed available and planned resources. It is a University policy that deficits at the area/fund level should not be budgeted. Deficits should be cleaned up prior to fiscal-year-end.
- ❑ Budget plans at the AREA level by FUND should not include structural imbalances. A structural imbalance occurs when recurring expenditures and transfer-out requirements exceed recurring revenues and transfers-in. If this pattern continues over several years, a deficit will eventually result. To correct a structural imbalance, the recurring uses must be reduced and/or the recurring resources increased.
- ❑ RRC managers are responsible to ensure FY05 budgeted allocations on revenue source code 5985 match the amounts approved for their RRC on the allocation worksheets.
- ❑ Planned revenues and transfers-in should be budgeted in the revenue source and transfer codes in which they are expected to occur. Planned expenditures and transfers-out should be budgeted in the object and transfer codes in which they are expected to occur. It is not acceptable to budget all revenue in a single revenue code or to budget all expenditure dollars in a single object code (such as 7000 or 7010) even if the amounts are equal to the actual estimated total expenditure amounts in all object codes for the year.
- ❑ Transfers-in should have corresponding transfers-out budgeted, when both sides of the transfer are known.
- ❑ **An appropriate revenue source reference code must be placed on the EXPP table for every expenditure budget line on restricted funds. This is critical. Without a revenue source reference code the expenditure line will be rejected when the budget prep tables are loaded into CUFS.** A complete listing of the revenue source codes for FY05 is in the *Chart of Accounts FY05 Reference* at <http://training.finop.umn.edu/COA05/COA05menu.html>.

Note to users in the AHC: the revenue source reference code field has been removed from the AHC budget tool. To avoid errors, these codes will be entered centrally.

By June 5, RRC managers are expected to ensure all their budgets in the budget tables satisfy these criteria. If RRC budgets do not satisfy these criteria, the Budget Office will identify problems and work with RRC managers to make sure the problems are corrected before the budget tables are loaded into CUFS.

BUDGET PREP TRAINING

RRC managers are responsible for overseeing the input of budgets into CUFS for areas in their respective RRCs. The entry of budgets to the budget prep tables may be delegated or may be a centralized activity within the RRC. Very small units or departments that do not have CUFS access should request assistance through their RRC managers. RRC managers are encouraged to assign input responsibility to an adequate number of staff to ensure that enough people are trained and available to assist in the input of the budgets.

Access to enter data on the budget preparation tables is limited to individuals who are authorized by their RRC Managers and who have received Budget Preparation training through Training Services. Training received in prior budget years qualifies an individual to do budget table data entry in subsequent years.

Beginning the week of April 26, 2004, budget table data entry "Hands-on" training sessions will be offered to new employees and employees who did not participate in training during prior years, and to individuals who want repeat training. FSS Security Office sent a packet of registration materials dated March 4, 2004 to each RRC Manager for training and budget table access. Materials in the packet were for RRC Managers to register users for budget prep table training sessions, and to provide security clearance for users whom RRC managers wished to authorize to enter data into the budget prep tables. Users who have attended online budget prep training previously may request a *FY05 Budget Prep Table Data Workbook Reference* manual from Training Services. For information about training sessions or to request a *FY05 Budget Prep Table Data Reference* manual, call training services at (612) 626-1373 or trngsvcs@umn.edu. For security information, contact the FSS Helpline at (612) 624-1617 or via e-mail at fsshel@umn.edu.

Budget prep entry table access in CUFS can be requested in two ways:

Access Verification Report FY05

RRCs were sent their Access Verification Reports on March 4, 2004. RRCs can use this report to request table access for these users for the FY05 budget prep year. Reports were due back to the FSS Security Officer by March 23, 2004.

Budget Prep Table Access Contract FY05

This contract is required for new users who do not appear on the Access Verification Report or to request additional access for users appearing on Access Verification Reports after the March 23, 2004 deadline. Budget prep training class completion is required for access. Hands-on budget prep entry training for new users requiring access begins the week of April 26, 2004.

Training Services class schedules can be found at <http://training.finop.umn.edu/classes.html>. The Budget Prep Table Access Contract FY05 can be found at <http://www.fss.umn.edu/security.htm>.

II. CHART OF ACCOUNTS MAINTENANCE AND CHANGES

DELETING ORGS

Instructions for deleting Orgs from the FY05 Chart of Accounts were outlined in a memo from Accounting Services to Area Managers dated January 22, 2004. Non-MY Orgs that met requirements and for which deletion requests were received in Accounting Services by February 28, 2004, have been removed from the FY05 Chart of Accounts. Org deletion requests received in Accounting Services after February 28 will not be processed until the next annual budget cycle. If you have questions related to Org deletes, refer to the above referenced memo or contact Tonya Warren in Accounting Services at (612) 624-5748 or taylo130@umn.edu.

The Orgs that you submitted for deletion have been removed from the FY05 ORGN table and there will be no budget entry tables for these Orgs. Note that the Orgs will still appear on the FY04 (the current year) ORGN table. This is necessary to record any activity on the Orgs that occurs during 2004. For the Orgs that have been deleted from FY05, it is essential that departments monitor the FY04 balances on the BRDH table to ensure that the balance is \$0. Orgs with positive or negative balances as of June 30, 2004, will be re-entered onto the FY05 ORGN table by Accounting Services. The balance requires a place to "land" when carryforward from FY04 to FY05 is processed.

If you want to delete a multi-year, non-sponsored Org, contact Tonya Warren at (612) 624-5748 or taylo130@umn.edu. If you have questions regarding purging a multi-year, sponsored Org, contact Kerry Marsolek in Sponsored Financial Reporting at (612) 624-8053 or kerry@umn.edu.

ADDING ORGS

When the budget entry tables open, budgets for FY05 can be entered into the budget entry table screens for Orgs that are on the FY05 ORGN table as of that time. If you need to add a new Org, be sure to submit your Organization Request Form to Accounting Services IMMEDIATELY to allow Accounting Services enough time to process requests during the budget prep period.

- To request a new Org, submit an *Organization Request Form* through your departmental approval channels to Accounting Services. The AREA-ORG combination you request must NOT appear on the FY04 or FY05 ORGN table. If it does, a different Area-Org combination must be chosen or Accounting Services will return your Organization Request.

When your request for a new Org is approved, the Org will be added to the FY05 ORGN table. To create budget entry tables for the new Org, follow these steps:

- check the FY05 ORGN table to verify that the Org has been added to the chart of accounts. As soon as the Org appears on the FY05 ORGN table, you can set up the EBCF, RPIN and EPIN tables by adding an expenditure object code to the EXPP table and a revenue source code to the REVP table. Refer to the *FY05 Budget Prep Table Data Entry Reference* manual for instructions on how to enter these lines.

Requests for new Orgs increase substantially during the budget preparation period. To avoid processing delays, submit your *Organization Request Forms* as soon as possible and provide complete information about the purpose of the Org and the source of funds. On the form, be sure to use the appropriate Function Code, and be clear about the source of funds.

REVENUE SOURCE, EXPENDITURE OBJECT, AND TRANSFER CODES

A complete listing of the revenue source, expenditure object, and transfer codes for FY05 is in the *Chart of Accounts FY05 Reference* maintained by Training Services at <http://training.finop.umn.edu/COA05menu.html>. Contact your RRC manager, the FSS Help Line, or Accounting Services (612) 624-5748 for additional guidance in the appropriate use of the codes. The codes and definitions listed below are new starting in FY05. Object and revenue codes that are new for FY05 must be added manually when setting up FY05 budgets. Because the codes did not exist in FY04, the budget lines will not appear automatically in the budget prep tables. Refer to the *FY05 Budget Prep Table Data Workbook Reference* manual for instructions on how to set up new object or revenue codes in the budget tables.

ADDITIONS:

New Payroll Object Codes for FY05

Effective with FY05, new object codes will be used for payroll-related expenses for two employee groups:

- 1) undergraduate student employees, and
- 2) fellows and trainees in 956x job codes that are paid through the payroll system (Company UNS).

Payroll-related expenses for these two employee groups were formerly tracked at the sub-object level.

The following chart summarizes the new objects and sub-objects that should be used:

Description / Title	Job Code	New Salary Code		New Fringe Code	
		Object	Sub-Object	Object	Sub-Object
<u>Undergraduate Student Employee Group</u>					
Academic (non-Work Study)	9512-13, 9522-25	7015	10	7104	10
Civil Service (non-Work Study)	2xxx	7015	20	7104	10
Work Study (Academic and CS)	9512-13, 9522-25, and 2xxx	7015	50	7104	10
Non-Service Fellow and Trainee Group (Comp. UNS)	9560 - 9567	7802	10	No fringe charges for Company UNS	

Note: Individuals in the 956x job codes are not employees. Rather, they are scholars, fellows or trainees whose stipends need to be paid through the payroll system in order to have taxes withheld. To properly distinguish them from true employees, a separate payroll processing company is used (UNS - University Non-Service) along with a new object code in the series for student assistance.

On May 1st, 2004, distributions for these employee groups will be programmatically updated to reflect the new object codes in PeopleSoft HRMS. These new distribution lines will only be effective at the start of the new payroll fiscal year (June 14th, 2004). The programmatic update will validate against the PeopleSoft account code table to ensure that FY05 objects have been set up in CUFS budget prep tables and transferred to PeopleSoft. In order to take advantage of this update, departments must completed budget prep payroll set-ups by April 30th, 2004. All current and future-dated distributions for these employee groups will be validated against the PS account code table. Note that if an employee has multiple distributions, and one of them fails this validation, then none of the distributions on the Employee record can be updated by the program. Employee records that are not updated systematically, as described above, will be reported to HRMS Aces via a new EDMS report on Monday, May 3rd, 2004 and must be manually entered.

Therefore, it is imperative that departments set up these new object codes on their appropriate **non-sponsored** accounts in the EPIN/EXPP table (budget prep tables) in CUFS by the April 30th deadline. Doing so will ensure that these new account strings will be available in PeopleSoft in time for the update on May 1.

Note: If there is any chance of payroll activity for these two groups of employees in FY05, departments should set up the new salary and fringe object codes in EPIN/EXPP on their non-sponsored accounts.

If it is anticipated that a Historical Salary Adjustment transaction (HSA) might be done affecting both sponsored and non-sponsored accounts, then the ‘old’ FY04 salary and fringe object codes should also be set up by departments for FY05 on the appropriate non-sponsored accounts. Remember that HSA transactions that affect a sponsored account can be allowed for up to 12 months from the original transaction.

In conjunction with Sponsored Projects Administration and Sponsored Financial Reporting, **sponsored** accounts that are used to pay the above employee groups will be programmatically updated with the new object codes in CUFS for FY05. As usual, no set ups are required for sponsored accounts in budget prep.

In addition, a new terminal vacation object/sub-object code has been added as follows:

Description / Title	Job Code	New Salary Code		New Fringe Code	
		Object	Sub-Object	Object	Sub-Object
Fringe Benefits-Direct Charge					
Terminal Vacation				7110	75

If you have any questions, please call the HRMS/Payroll Call Center at 612-625-2016, or the FSS Helpline at 612-624-1617.

III. USING THE BUDGET PREP TABLES

Overview of the Budget Prep Tables: There are five data input tables and two summary tables used to prepare budgets. Brief descriptions follow. Refer to the *FY05 Budget Prep Table Data Entry Reference* guide for a full explanation of what each table looks like and how it is used.

Data Input Tables

RPIN Resource Budget Preparation Input Table: RPIN is used to enter the carryforward estimate, enter resource budgets by revenue source code, and to add revenue source codes to an Org.

EBCF Estimated Budget Carryforward Table: EBCF is used instead of RPIN, in certain situations, to enter carryforward estimates.

- EPIN Expenditure Budget Preparation Input Table: EPIN is used to enter expenditure and transfer-out budgets and to add objects to an Org.
- REVP Revenue Budget Preparation Table: REVP is used to delete revenue source codes from an Org.
- EXPP Expenditure Budget Preparation Table: EXPP is used to delete objects from an Org and to add objects to Orgs in restricted funds.

Summary Tables

- BMOD Budget Model Table: This table summarizes the entire budget for an Org using the Basic Budget Model.
- RLUP Budget Model Area Rollup Table: This table uses the basic budget model to summarize amounts entered on all Orgs in an area by fund.

Budget Planning Worksheets: Optional Org-level planning worksheets (CUFB808 forms) will be on VIEW starting April 5. Worksheets may also be obtained by accessing the Financial Reports Web (<http://financial.reports.umn.edu>) and selecting the Budget Prep button. Some users may prefer to use blank space on the UA-821 Org report or their own version of a worksheet if it better meets their needs.

A CUFB808 worksheet will be on VIEW for each Org that is on the FY05 ORGN table as of early March and had at least one active revenue source code, expenditure object or a transfer code in FY04. Worksheets are not produced for Orgs that may have a carryforward, but have no revenue source or expense codes created during FY04. Worksheets are not produced for Orgs that were added during 2004, but have no revenue source, expenditure, or transfer codes created. RRCs planning to use the CUFB808 worksheets should substitute an improvised form for any "missing" CUFB808 worksheets.

Funds Included in Budget Preparation: Orgs in the following **current, non-sponsored** funds are included in budget preparation. You are expected to set up revenue and expenditure budgets in the budget entry tables for all Orgs in these funds that you plan to use during FY05.

Allocated Funds:

General Operations and Maintenance:

State Subsidy

Tuition (RRC level only)

State Specials

Indirect Cost Recovery

Central Reserves

Other Central Pools: Limited allocations to Other Unrestricted Fund

Non-Allocated Funds:

Auxiliary Enterprises

Internal Service Organizations

Private Practice Clinics

Other Unrestricted Funds

Other Restricted Accounts: This category does not include sponsored funds

A list of the 4-digit fund numbers associated with each of the current funds is contained in the *Chart of Accounts FY05 Reference* at <http://training.finop.umn.edu/COA05/COA05menu.html>.

In addition to the current funds outlined above, budgets may also be set up on the **plant** fund for budgeting transfers-in and equipment expenditures in equipment replacement/reserves Fund-Area-Orgs in the plant fund.

Funds NOT Included in Budget Preparation: Do not enter budgets into the budget entry tables for Orgs in the following funds.

Current Funds:

Sponsored Funds (16XX, 17XX, 19XX funds):

(SPA coordinates entry of sponsored fund budgets)

Non-Current Funds:

Loan Funds (5XXX funds)

Endowment Funds (6XXX funds)

Agency Funds (9XXX funds)

Plant Funds (7XXX funds) (**exception:** budgeting is allowed on certain codes in equipment replacement/reserve Orgs in the plant fund. Refer to page 22 of these instructions.)

Entering Revenue Source Reference Codes on Restricted Funds: In the University's financial report, revenues on restricted funds are reported only to the extent that expenditures have occurred. For restricted fund expenditures, therefore, CUFS must be able to determine an associated revenue source. This link is

established at the object code level by assigning an associated revenue source reference code to each object code used in a restricted fund Org.

Most objects in restricted fund Orgs that have had spending activity already have a revenue source reference code assigned--you can see it identified as the "Rev Source Ref" on the FY05 EXPP table. For objects on new Orgs in restricted funds and new objects on existing restricted fund Orgs, however, you must assign a revenue source reference code in the EXPP table.

The revenue source reference code you assign to an object on an Org in a restricted fund should reflect the source of funds for the Org. For example, on objects in a fund 1856 U of M Foundation Org, you would assign revenue source 4200, gifts. For objects in a 1546 state special fund, you would assign revenue source 4000, appropriated funds. In no case is 5980 an appropriate revenue source reference code because it does not identify the source of the funds to the University. Instructions for assigning the revenue source reference code, along with an appendix to help you select the correct code, are in the *FY05 Budget Prep Table Data Entry Reference*.

If an object code is set up in a restricted fund and no revenue source reference code is assigned to that object code, the line will be rejected when the budget tables are loaded into the CUFS ledgers at the end of the budget prep cycle. No EXPB records for FY05 will be created. The Budget Office will correct revenue source reference codes if a department has made just a few errors. RRC Managers will be notified if numerous corrections need to be made by the departments.

Note to users in the AHC: the revenue source reference code field has been removed from the AHC budget system. To avoid errors, this code will be added centrally.

While revenue source reference codes must be assigned to objects in the restricted funds, it is equally important to understand that they must not be assigned to objects in the unrestricted funds.

Multi-Year Versus Fiscal Year Orgs: The budget prep tables are for entering approved budgets for fiscal year (FY), non-sponsored, current funds and selected plant funds only. Do not prepare or enter budgets on the budget prep tables for Orgs with multi-year (rather than fiscal year) designations. Any budgets on multi-year Orgs or sponsored-fund Orgs entered through the budget entry tables will be removed prior to the time fiscal year budgets are locked. These budgets will have to be re-entered through appropriate channels. Sponsored-fund Orgs can be identified by the fund number--budgets should not be entered through the budget prep tables on Orgs in funds 16XX, 17XX, or 19XX. The budget fiscal year designation (fiscal year or multi-year) of an Org can be verified by referring to the ORGN table. If there is a "Y" on the MY line of the ORGN table, the Org is a multi-year Org and no budget should be entered through the budget prep tables.

Hours for Entering Budgets: CUFS is available Monday through Saturday from 7:00 a.m. to 7:00 p.m. If these hours are not sufficient, please consider taking other measures such as including extra staff for input or extending work hours to allow employees to input through to the 7:00 p.m. cutoff. If and when an emergency requires the hours to temporarily be cut back, a message will be posted on the CUFS message screen.

PeopleSoft HRMS: FY05 accounts will be made available in PeopleSoft beginning May 3, 2004. As of this date, users will be able to enter distributions for employee's salary (and draw down encumbrances) with an effective date of June 14, 2004 or later.

It is important to note that while the University's fiscal year (and accounts) begins on July 1, 2004, the effective date for payroll is June 14, 2004. The first pay period of a new fiscal year is the first pay period PAID after June 30th.

We are able to provide the PeopleSoft HRMS system with FY05 accounts by sending an extract of the EXPP (Budget Prep) table in CUFS to the Account Code Table in PeopleSoft. Because the data on the EXPP table is tentative until Budget Prep is closed, users need to be mindful of the following:

- ❗ EXPP can change on a daily basis. If you delete salary or fringe object codes from an account, it will be important to make sure that the account will not be used on an employee's distribution for the new fiscal year. If an account is used in PeopleSoft and subsequently has the salary or fringe object codes deleted, then the department must either 1) re-activate the object codes on the EXPP table; or 2) choose a different, valid account in PeopleSoft for the employee's distribution.
- ❗ The HRMS Help Line will be getting a report of distributions and draw down encumbrances where invalid salary and fringe account strings for FY05 have been used.
- ❗ HRMS Help Line staff will contact departments where such an account has been used to ask the department to 1) change the account in PeopleSoft; or 2) set up the appropriate object codes on the account in CUFS. This will eliminate transactions going to an invalid account (and not be reflected on any expense reports).
- ❗ **This process affects only fiscal year accounts – there is no change for MY accounts.** All MY accounts have a designated 'end date' on the GDES table in CUFS. This end date is also used by the HRMS system.

Line item dollar amounts for departmental accounts may not be determined by May 3, 2004, but *dollar amounts* are not critical to this process. The HRMS system only needs to know whether or not an account string – *which includes the object code* – is valid for FY05. Therefore, it is important that applicable salary and fringe object codes be included on every account on the EXPP table that will be used for salaries during FY05.

Reminder: the relevant salary and fringe object codes are:

7000 (academic salary)	7100 (academic fringe)
7005 (grad student salary)	7102 (grad student fringe)
7010 (staff salary)	7103 (staff fringe)
7015 (undergrad. student salary)	7104 (undergrad. student fringe)
7802 (non-service fellow and trainee stipends – no fringe)	

Timing of changes made in CUFS will affect your choices in PeopleSoft. All processing for CUFS is done overnight. One of the overnight processes is to send an extract of all account information (fund,

function, area, org, object & revenue codes, etc) to the PeopleSoft system. PeopleSoft receives the file, and there is another process run to load the account code table in PeopleSoft. Therefore, there is at least a one-day delay in getting updated account information to PeopleSoft. Also keep in mind that CUFS processing normally takes place on Monday-Thursday, & Saturday.

SPECIAL BUDGETING ISSUES

Budgeting for Tuition Revenue:

Budgeting for tuition revenue in FY05 will follow the same process as in FY04. The attribution will remain the same as previous years with 75% of the revenue delivered to the college that teaches the course and 25% of the revenue delivered to the college where the student taking the course is enrolled.

In the Phase II budget instructions each collegiate unit has been asked to review a centrally developed tuition revenue estimate and then to develop their own intersession/summer session, and regular session tuition revenue estimates for FY05. The tuition rate increases used for the centrally developed estimates were as follows:

	Twin Cities Campus Undergraduate	Crookston	Duluth	Morris	Graduate/ Professional Programs
Summer 2004	10%	8.25%	8.25%	8.25%	8.25%
Fall 2004, Spring 2005, Summer 2005	12%	11%	11%	11%	11%
Nonresident rates	Same dollar increase	(not %) as	resident	rates	

Under the IMG model, tuition is credited initially to central accounts. Each academic session the net revenue is moved from these central accounts to the unique tuition accounts set up in each collegiate unit so the 4100 revenue (tuition revenue) appears at year-end in the collegiate units rather than in the central accounts. The central tuition accounts initially record the gross 4100 revenue. By year-end the central tuition account balance is \$0. This is done by moving the NET revenue to the appropriate collegiate units and recording expenses for the waivers and other reductions to gross revenue.

The tuition account within each collegiate unit has a tuition fund code (one for each of the four campuses) and a unique Org specified as TUIT.

The total amount budgeted in these collegiate level tuition accounts must match the collegiate unit's approved budget tuition revenue authority as noted on the FY05 Allocation Worksheet. The entire amount of approved tuition revenue authority is transferred, via the automatic JV process, out of the unique collegiate level tuition account on 9985 and into the units within the college or to a college reserve account, using 5985. The collegiate level tuition account budgets should show the approved tuition amount for revenue source code 4100 and an equal amount as transfer code 9985 such that the TUIT org has a budgeted ending balance of \$0. When colleges budget their allocations to the department level, they consider the total allocation available -- the combination of their O&M (state subsidy) allocation and their tuition revenue authority -- and make their allocations from that total. *Colleges do not have to allocate the two pots separately.* Centrally, we will make sure that the total amount approved as tuition revenue authority and O&M (state subsidy) allocation reconciles exactly to the amount of 5985 budgeted within the unit and specified on the FY05 Allocation Worksheet.

The collegiate unit needs to monitor, on a regular basis, the actual tuition revenue coming into the account throughout the year such that downturns in actual-to-estimate can be identified early on and corrected for through expenditure reductions or increased tuition generation. If at year-end the amount of actual tuition revenue in the tuition account is less than the amount budgeted, a transfer needs to be made into the account in order that the ending balance is \$0. Likewise, if at year-end the amount of actual tuition revenue in the tuition account is more than the amount budgeted, a transfer needs to be made out of the account in order that the ending balance is \$0.

As described above, the steps to implement the tuition piece of IMG are as follows:

1. A tuition revenue authority is agreed upon during Phase II of the budget process for each collegiate unit.
2. Each collegiate unit budgets an amount equal to their tuition revenue authority under revenue code 4100 in the unit's tuition account.
3. Each collegiate unit budgets an amount equal to their tuition revenue authority under transfer code 9985 in the unit's tuition account. The resulting budgeted ending balance in the tuition account is \$0.
4. Using transfer code 5985, each collegiate unit allocates to their departments an amount equal to the total of their combined O&M (state subsidy) allocation and their tuition revenue authority. *Collegiate units do not have to allocate the two pots separately.*
5. Central makes sure that the total amount budgeted as tuition revenue authority and O&M (state subsidy) allocation combined reconciles exactly to the amount in transfer code 9985 budgeted both from central accounts and collegiate tuition accounts.

EXAMPLE:	College A	
	1. Agreed upon tuition revenue authority	\$1,000,000
	1a. O&M (state subsidy) allocation	\$2,000,000
	2. Amount budgeted as 4100 in college A's tuition account	\$1,000,000
	3. Amount budgeted as 9985 in College A's tuition account	\$1,000,000
	4. Amount budgeted in College A's departments as 5985 (including the reserve account)	\$3,000,000

Transferring funds between Tuition Income and General Operations and Maintenance funds:

An inter-fund transfer is a permanent movement of resources from one Fund/Area/Org to another Fund/Area/Org where there are two different Funds. The inter-fund transfer codes are 5990-90 and 9990-90 when transferring within the same area. Codes for between areas in the same Area group are 5991-90. Other justified transfer between area group (area group = area class for the Twin Cities campus) are 5992-90 and 9992-90. When transferring resources between the General Operations & Maintenance (funds 1000, 1001, 1002, 1003) and the Tuition Income funds (funds 1010, 1011, 1012, 1013) the correct transfer codes to use are the inter-fund transfer codes (5990-90 and 9990-90).

Budgeting for ICR Revenue:

Budgeting ICR revenue in CUFS requires a rather complex set of steps similar to the process of budgeting tuition revenue. The process used to budget ICR revenue is described in the following paragraphs.

Each RRC will have a proposed ICR allocation or expenditure authority that was determined in Phase II of the budget cycle. All FY05 ICR revenue will be credited initially to the main central ICR account. Twice per year, in January and July, the ICR revenue will be moved (using revenue source code 4350) from the central account into the individual IDCR Orgs in the RRCs, so that the revenue will appear at year-end in the units to which the IMG model directs it.

The total amount budgeted in the RRC-level IDCR accounts as revenue source 4350 must match exactly the unit's approved budget ICR expenditure authority (as shown on the FY05 Allocation Worksheet). The entire amount of approved expenditure authority will be transferred, out of the RRC-level IDCR account on transfer code 9985 and into departments within the RRC or to a reserve account, using transfer code 5985. The RRC-level IDCR account should budget an ending balance of \$0.

The steps necessary to enter FY05 ICR revenue in Phase III are as follows:

1. Each RRC should enter their estimated ICR revenue that appears on the FY05 Allocation Worksheet in the RRC-level IDCR Org using revenue source code 4350 on the RPIN table. Next, enter the same amount as a "Non-Mandatory Transfer Out-Centrally Allocated" (9985) in the same Org (the RRC-level IDCR Org) on the EPIN table. This should result in a budgeted ending balance of \$0 in the RRC-level IDCR Org – any surpluses remaining from FY04 should be transferred out of the IDCR Org and deficits, likewise, should be eliminated with a transfer in from another Org.
2. Use the "Non-Mandatory Transfer In-Centrally Allocated" revenue source code (5985) to set up departmental ICR budgets or to budget an RRC-level reserve account on RPIN. The combined amount of the budgets set up in all departments within an RRC (including the RRC-level reserve account) should equal exactly the approved amount of ICR expenditure authority for FY05 that was entered in the IDCR Org in step 1.

Expenditure authority is an estimate and there is no guarantee that the entire amount will actually be earned in FY05. If actual revenues in FY05 exceed approved ICR expenditure authority, the amount of ICR revenue the RRC receives will be greater than the amount budgeted. However, if the RRC's revenue falls short of the approved ICR revenue authority for FY05, the unit will be accountable for the shortfall and the deficit will appear in the IDCR Org within that RRC. Units are strongly encouraged to budget a portion of their approved ICR revenue authority to a reserve account as insurance against the possibility of being left with a deficit in the event that actual FY05 ICR revenue does not meet their approved ICR revenue authority for FY05.

Budgeting for Enterprise Systems Project Assessment:

In December 1997, the Board of Regents approved the original financing plan for the Enterprise Systems Project that included a plan for a portion of the project to be financed by an assessment of total salaries in selected fund classes in all academic and administrative units. This assessment has now been established as a permanent systematic method of assessing units for the purpose of paying for the development, implementation, maintenance and replacement of institutional business systems.

The assessment rate for FY05 will remain the same as the rate in FY04 and no change in the methodology as used in the current year is being proposed for FY05. The following assumptions should be built into the FY05 plans at this time:

- Estimated assessment cost of **1.25%** of projected FY05 salaries
- Object code used for budgeting the expected assessment is **8610** – Administrative Fees
- Assessment is on **actual** salary expenditures in the following fund classes, with a few individual account exceptions:

GOM – General Operations & Maintenance – funds 1000, 1001, 1002, 1003, and 1010-1013

AUX – Auxiliaries – funds 1100-1125, and 1163

ICR – Indirect Cost Recovery – funds 1040-1043

RSS – Restricted State Specials – funds 1521-1526; 1528-1533; 1535-1540; 1543-1549, and 1556-1558 (this excludes LCMR funds 1520, 1527, 1534, and 1542)

UNR – Other Unrestricted – funds 1021, 1022, 1190, and 1194-1198

Funds 1570 and 1571 – Private Practice

- Assessment occurs near the end of an accounting period based on actual salary expenses in that month. Both debits and credits to salaries are included in the assessment calculation.

Salary expense used in the calculation will include the following object codes with all the related subobject codes except subobject 50 (Workstudy):

- 7000 – Academic Salaries
 - 10 – Professional/Administrative
 - 20 – Ranked Faculty
 - 30 – Student-graduate
- 7005 – Acad Sal-Stdts-Grad/Prof/Trng
 - 10 – Grad/ProfTrng
- 7010 – Civil Service & Union Salaries
 - 10 – Civil Service
 - 30 – Union Represented
- 7015 – Undergraduate Student Employees
 - 10 – Academic

Questions regarding the Enterprise Assessment process can be directed to the FSS Helpline at 624-1617.

Budgeting for the Institutional Revenue Assessment:

For FY05, the IRS rate assessed on academic units will be 8.5% assessed on revenue codes 4000 – 5899, plus 5985. As in previous years, adjustments will be made for tuition and indirect cost revenue to ensure that this revenue is not taxed twice.

The rate assessed on sales and services revenue will remain at 3.75% in FY05. This 3.75% sales and services assessment will still be collected as an automatic monthly assessment on a narrow revenue base in fund groups AUX, UNR, and Private Practice (1570 & 1571). For academic units, the amount collected through this automatic assessment of 3.75% will be deducted from the total amount owed at the end of FY05.

Attachment D to these Instructions (Institutional Revenue Sharing and Enterprise Assessment Parameters) provides a complete list of which funds and revenue codes will be included in the calculation of the IRS assessment. The IRS assessment should be budgeted as object code 8611, Institutional Revenue Sharing.

Salary and Fringe Benefit Assumptions:

Information in this document related to compensation matters has been prepared for budgeting purposes only and should not be interpreted as an attempt by the University to disregard good faith bargaining with affected employee groups or to ignore all other mandates of PELRA. In addition, all described plans are subject to Board of Regents approval.

For planning purposes, the budget currently under development assumes the following general salary increases:

	<u>FY05</u>
Non-faculty academic employees	2.5%
Civil Service/Bargaining Unit employees	2.5%
Faculty	2.5%

A separate set of documents attached to these instructions outlines the details of implementing the salary plan for fiscal year 2005 for non-bargaining unit employees. Please refer to those documents for specifics.

Budgeting for Fringe Benefits:

Projected fringe benefit rates for FY05 for use in budget planning are outlined below. See Figures 7 and 8 on pages 27 and 30 of the Phase II Budget Instructions for a breakdown of the components of the rates.

Civil Service (and undergraduate students)	32.5%
Academic	32.8%

Graduate Assistant

Health	14.0%
FICA	7.3% *
Tuition	\$10.39/hour

- The indicated rates for graduate students include 7.3% for Social Security and Medicare (FICA). The combined FICA rate for undergraduate students, included in the civil service rates above is 7.4% for FY05. Graduate and undergraduate students employed at the University will be exempt from FICA withholding on their University wages, and therefore, their salaries will not be assessed for the employer’s share of FICA, if they meet the following test:
 - Enrolled for at least 6 credits per semester if an undergraduate student; or
 - Enrolled for at least 3 credits per semester if a graduate student (one credit or Ph.D. candidates working on a dissertation)

Pursuant to Revenue Procedures 98-16, issued by the IRS on January 16, 1998, the University no longer applies an “hours worked” limitation. Questions regarding the withholding requirements may be directed to Karen Klein in Payroll Services (625-7549) or Kelly Farmer in the Tax Department (624-1053).

For purposes of budget planning, central support units (non-tuition generating units) should plan to reallocate internal funds to cover 85% of the projected increases in compensation costs in O&M and State Special funds. The remaining 15% of centrally projected cost increases will be covered through an O&M allocation. For all other fund units, 100% of the compensation cost increases must be funded with internally reallocated unit resources.

Budgeting for Utility Rates:

The utility rates listed below:

- are only applicable for those units on the Twin Cities campus which currently pay Facilities Management for utilities or have an arrangement to make such a payment to Facilities Management;
- will be effective July 1, 2004;
- will be used in billings that are based upon actual consumption;
- are established on a cost recovery basis, and
- represent average billing rates for electricity and water/sewer. Monthly rates will vary slightly based upon University and zone consumption patterns.

If you have questions, call Twila Jensen, Facilities Management, at 625-9514.

	FY04 Current Rate	FY05 Estimated Rate
Steam – 1,000 lbs. of steam (MLB)	\$18.87	\$18.87
Electric Kilowatt Hours (KWHR)	.0603	.0625
Water & Sewer Hundred Cubic Feet (CCF) avg.		
Minneapolis Campus	5.82	6.39
St. Paul Campus	2.85	2.99

Chilled Water (GSF)	.068	.068
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Budgeting for Price Level Increases:

The institutional budget plan does not include additional allocations for non-salary inflation for FY05.

Budgeting for Property & Liability & Non-Profit Organization Liability Insurance:

Since July 1, 1997, the Office of Risk Management has charged RRCs for University property and liability insurance premiums based on each RRCs share of total University space. Instructions regarding how units should budget for these charges in FY05 are on page 35 of the Phase II Instructions.

Budgeting for Equipment Replacement Reserves:

The voluntary equipment replacement/reserves program encourages RRCs to move towards a systematic method of budgeting equipment purchases that emphasizes the long-term annual expense of equipment as opposed to sporadic expenditures. The program promotes better long-term planning and decreases the boom/bust tendencies inherent in the current method of budgeting for capital equipment used by some departments.

Departments participating in the program transfer resources from their current funds (using transfer-out code 9988 on their current fund ORG) to specific Orgs in the plant fund (using transfer-in code 5988 on the plant fund Org). In the equipment replacement/reserves plant fund Org, departments budget the planned expenditures on objects 8200, 8210, and/or 8215. Since balances in the equipment replacement/reserves plant funds Orgs earn interest under the Temporary Investment Pool (TIP) program, departments should budget anticipated interest on revenue source code 5800 in the plant fund Org. *Note: balances in fund 7351, ISO Capital Purchases, do not earn TIP and should not, therefore, budget interest income.*

Equipment reserves may be budgeted in the following plant funds:

- fund 7013 for transfers from GOM funds
- fund 7344 for transfers from other unrestricted funds
- fund 7312 for transfers from restricted, non-sponsored funds
- fund 7351 for transfers from ISO funds

As a reminder, effective July 1, 1999, the capitalization threshold increased from \$500 to \$2,500. Details surrounding this change were outlined in a memo from Mike Volna, Controller, titled *Change in Capitalization Threshold for Equipment Purchases*. A copy of this memo can be obtained by contacting Accounting Services (612) 624-2513.

Budgeting for UROP (Undergraduate Research Opportunities Program):

Decisions about FY05 UROP grants (July 1) do not allow sufficient time for departments to set up Orgs and budgets during the budget prep cycle. Because payroll lines must be set up in order to pay salaries from these awards, UROP staff will establish Orgs for the initial round of grants during budget prep and will set up \$0 object and revenue source codes 7000, 7005, 7010, 7015, 7100, 7102, 7103, 7104, 7802, 9980, and 5980 as needed on the EPIN, EXPP, RPIN, and REVP tables. After the FY05 opens, area managers may process EBs to add objects at \$0 as needed for individual grants. Some departments may receive additional UROP funds in the January 2005 round of grants. Because the grants are broadly distributed throughout the University, budgets at the area fund or RRC level are not significantly changed by the UROP awards. Therefore, EBs and RBs should not be submitted to the Budget Office to adjust budgets for UROP awards.

Budget Office Review:

When the budget tables are closed on June 5, Budget Office staff will begin reviewing all budgets to ensure they fulfill the expected outcomes described in detail on the "Expected Outcomes of Budget Preparation" section of these instructions.

IV. REPORTS AVAILABLE TO ASSIST YOU

ROLLUPS:

- by AREA within FUND (CUFB810)**
- by Area GROUP (RRC) within FUND (CUFB814)**
- by Area CLASS within FUND (CUFB811)**
- by Area CATEGORY within FUND (CUFB812)**

Each report is available on the Financial Reports Web Page (<http://financial.reports.umn.edu>) and VIEW. They show the total amount (by fund) that has been entered into budget entry tables in each of the revenue source codes, expenditure object codes, and transfer codes on all of the Orgs in any particular area (report Id CUFB810) or rollup of areas to group (report Id CUFB814) or rollup of areas to area class (report Id CUFB811) or rollup of areas to category (report Id CUFB812).

People accessing reports through VIEW can:

- view them on-screen,
- screen-print the pages needed, or,
- print a copy of the entire report through departmental remote printers or by request to OIT HelpLine (1-HELP or 612-301-4357) (allow 2-3 days for delivery)

RRC Managers and their designees can access on-line VIEW rollup screens and to obtain rollup reports at remote printers or from OIT if a remote printer is not currently hooked up (allow 2 to 3 days for delivery)

of reports). Contact your RRC manager to find out who in your RRC is handling VIEW rollup report requests for your RRC.

People accessing reports via the Financial Reports Web Page can:

- view them on-screen, or
- download the report to a word processing or spreadsheet package

To access financial reports on the Financial Reports Web Page, users must have an Internet ID (X.500) and password. Questions related to the X.500 ID and password should be directed to OIT Technology Helpline 1-HELP or (612)301-4357. Questions related to the financial reports should be directed to the FSS Help Line (612) 624-1617 or fsshhelp@umn.edu. For DWFS access, contact the FSS HelpLine at (612) 624-1617 or fsshhelp@umn.edu or utilize the Access Request Form at <http://www1.umn.edu/datasec/security/Requestingaccess.html>.

Budget prep tables REVP, EXPP and EBCF for FY05 will also be available in DWFS for users who wish to perform their own queries of this data.

Rollup reports will be "refreshed" each evening starting on **March 29**, and ending **June 16**, Monday through Wednesday. After June 16, the Budget Office will request refreshes as needed to complete the budget preparation process.

REPORTS SHOWING APPROVED BUDGET

Approved Budget Rollup Reports: In late June, the official Approved Budget Rollup Reports will be available for printing from VIEW or the Financial Reports on the Web Page. These reports are the final versions of the budget rollup reports, CUFB810-Area, CUFB811-Area class, CUFB812-Area category, and CUFB814-Area group. The exact date of the official reports will be posted on the CUFS message screen. VIEW Budget Prep reports are available to University Staff with active access to CUFS through the end of June. Throughout FY05 approved budget information will be available on the Org-level UA-821 report.

User-Generated Web Reports: The FY05 Budget Prep tables will be included in DWFS. DWFS users may generate reports that show approved budgets that include the essential element of estimated carryforward in budgeted resources. DWFS also allows users to specify a fund or combination of funds when generating reports. This is an advantage over the rollup reports noted in the paragraph above that are by a single fund only.

UA-821 REPORT: Organization Budget Status Report: The UA-821 report shows all components of an Org's budget--carryforward, revenues, transfers-in, transfers-out, expenditures, and ending balance. For each Org, the report shows the "approved budget", the "current budget" (approved budget with adjustments), and actual activity to date. The report is printed at the end of each month and copies are sent

to Org managers (it is also available on the Financial Reports Web Page.) The UA-821 allows managers to compare actual activity to date to budgeted amounts and determine if financial activity is on track. For example, if revenues as of the end of December are well below the amounts budgeted for the year, the financial manager may need to also reduce expenditures accordingly. By using the budget plan to identify the shortfall, the manager can take corrective action in a timely manner and avoid or minimize a potential year-end deficit in June.

V. GETTING HELP

RESOURCE RESPONSIBILITY CENTER MANAGERS

Deans, chancellors, senior vice presidents and executive unit heads will receive allocations to their Resource Responsibility Center (RRC) on their *FY05 Central Allocation Worksheet*. The Resource Responsibility Centers who participate in the budget process are each of the colleges on the Twin Cities campus, the four coordinate campuses, and the major administrative units on the Twin Cities campus. Questions regarding the following should be directed to RRC managers:

- confirming the amount of the allocation granted to each area in the RRC
- confirming the due dates for submitting budgets to RRC managers. RRC due dates may precede other dates in these instructions.
- confirming amounts of known post-budget non-mandatory transfers that will take place between RRCs or areas within the RRC
- obtaining Org-level budget planning worksheets
- obtaining rollup information at the area level from VIEW
- clarifying procedures and policies, defined by your RRC manager, that pertain to your RRC

BUDGET AND FINANCE STAFF

Questions about the following should be directed to Budget and Finance staff:

- budgeting for allocations using transfer-in code 5985
- budgeting for transfers that you plan to do AFTER the start of the fiscal year
- accessing rollup information and reports
- estimating and budgeting for carryforwards
- handling other problems not addressed elsewhere
- verifying fringe benefit rates

ACCOUNTING SERVICES STAFF

Questions about the following should be directed to Accounting Services staff:

- budgeting for ISOs

- dealing with multiple function problems
- dealing with multiple fund problems
- verifying appropriate function on a new Org
- handling departmental recharges (non-ISO charges)

HELP LINE

The FSS Help Line (612-624-1617 or fsshhelp@umn.edu) answers routine questions and refers callers with non-routine questions. If a caller asks a question to which the Help Line cannot give a clear, definite response, they will refer the caller to the appropriate department dependant on the nature of the problem.

Table Data Entry (Training Services): Questions about using the budget preparation tables should be addressed to Training Services staff 626-1373 or trngsvcs@umn.edu . These include:

- entering carryforward estimates into the tables
- using budget preparation tables to add or delete a revenue source code or expenditure object code
- entering or revising the data in the resource budget input tables (RPIN, REVP and EBCF) and the expenditure budget input tables (EPIN and EXPP)
- interpreting error messages on budget entry tables

Access to Tables and Reports (FSS Security and OIT): To solve access problems related to Budget Prep Table entry, call FSS Helpline at 624-1617 or fsshhelp@umn.edu. VIEW report printing or mainframe access questions can be directed to the OIT Technology Center at 1-HELP, (612) 301-4357 or x-help@umn.edu.

APPENDIX A

SIGNIFICANT DATES AND EVENTS

April

- 5** **Budget Prep Tables open**
- 21 RRC managers meeting

May

- 3** **FY05 accounts available for use in PeopleSoft HRMS**
- 13-14 Board of Regents Meeting
- 19 Legislative session adjourns
- 19 RRC managers meeting
- Early FY05 Allocation Worksheets delivered to Deans, Chancellors, Senior Vice Presidents and Executive Unit Heads (final contingent on Board approval June 11)
- 27** **Last day for general users in the AHC to make changes to AHC budget system**
- 31 University Holiday CUFS will be down

June

- 1** **Last day for general users (outside of AHC) to make changes to Budget Prep Tables**
- 3** **Last day for RRC managers in AHC to make changes to AHC budget system**
- 5** **Last day for RRC managers (outside of AHC) to make changes to Budget Prep Tables 13**
- FY05 Operating Budget reviewed by Board of Regents
- 11 FY05 Operating Budget approved by Board of Regents
- 16 RRC managers meeting

Appendix B
Salary Plan Memos

2004 – 2005
PAY PLANS

▪ TEAMSTERS

Service Maintenance & Labor, Unit 3

▪ AFSCME

Health Care Non-Professional, Unit 4

▪ AFSCME

Clerical, Unit 6

▪ AFSCME

Technical, Unit 7

▪ Civil Service

▪ Academic Employees

Prepared by
Office of Human Resources
Compensation Division
February 2004

SUMMARY of PAY PLANS

June 14, 2004 – June 30, 2005

DATE	PROVISION	BARGAINING UNIT(S)	ACTION	COMMENT
4-01-2004	Offer Merit Increase Program	Civil Service	<u>Unit's top leadership position decides</u>	<u>Notify Director of Compensation IF unit plans to offer merit increase program June 14</u>
6-14-2004	- Career Bonus - Stability	AFSCME Health #4 Teamsters #3	<u>Units make payments to eligible employees</u>	<u>Teamster temporary increase eliminated – MOU expired 6-30-03</u>
6-14-2004	Eliminate 2 grades	Civil Service		C1 03, C1 05 eliminated
6-14-2004	Across-the-Board Pay Increase	Teamsters #3 1.0% Technical #7 2.5% Civil Service 2.0% *OR	Structure/range increased by same percentage	* OR Units with performance management plans in place may elect to award merit increases averaging 2.0% for Civil Service
6-14-2004	Additional Increase	AFSCME Health #4 AFSCME Clerical #6		AFSCME #4 designated classifications 2.0% AFSCME #6 employees at range maximum 4.0% (Range does not move)
6-14-2004	Steps awarded	AFSCME Health #4 AFSCME Clerical #6		See contract language
6-14-2004	Steps frozen	AFSCME Technical #7		No Steps for duration of agreement
11-29-2004	Steps awarded	Teamsters #3		Hours worked between 12-1-03 – 11-28-04 do not count toward movement to next step
12-13-2003	Across-the-Board Pay Increase	Civil Service 1.0%	Employees whose most recent new hire date is on or before 12-13-2003	No change to salary structure/range No increase to base pay over range max
12-31-2004	HCRA deposit	AFSCME Clerical #6		\$200 to eligible employees
1-10-2005	Across-the-Board Pay Increase	Teamsters #3 1.0%	Structure/range increased by same percentage	
1-10-2005	Steps eliminated	AFSCME Clerical #6		First, First and Second, or Second steps eliminated from ranges of some classes. An employee paid on a step that is being eliminated is moved to the next higher pay rate

AFSCME Clerical Unit

February 2004

One-Time Payment to 2005 Health Care Reimbursement Accounts Associated with Health Insurance Participation

Employee Group	Eligibility Requirements
AFSCME Clerical #6	<p>\$200.00 one time payment to 2005 Health Care Reimbursement Accounts for eligible employees.</p> <ol style="list-style-type: none">1) Must be eligible for employer contribution to health insurance (75% or greater appointment).2) Employee is participating in medical and/or dental insurance in 2004 (Note: Employees who waive single coverage and are a dependent on spouse's U Plan policy are not eligible for payment.) <p>Note: There is only one payment for each eligible employee.</p>
Employees on leave status	Employees on leave status who are participating in January 2005 medical and/or dental insurance are eligible.
New Hires	Determination of eligibility shall rely on whether or not the employee is enrolled for UPlan medical and/or dental insurance for January 2005 (e.g., health insurance premium deducted from January paycheck).

2004-2005 Pay Plan for Teamsters Service, Maintenance & Labor Unit #3 (60xx) Employees

**Effective June 14, 2004
Published February 24, 2004**

Prepared by the Office of Human Resources, Compensation Division

The Teamsters Local 320 unit is composed of service, maintenance, and labor employees at all campuses and Research and Outreach Centers. These classifications are representative of the bargaining unit: building and grounds worker, food service worker, maintenance mechanic, and copy center operator.

Summary of changes to contract provisions for Employee pay and classification

Salary Range or Structure

1. Effective June 14, 2004, there is a 1.0% increase to salary range minimum, maximum, and to steps.
2. Effective January 10, 2005, there is a 1.0% increase to salary range minimum, maximum, and to steps.

Base Pay

1. Effective June 14, 2004, there is a 1.0% across-the-board increase to base pay.
(Article XXI Wages, 21.1.)
2. Effective November 29, 2004, hours worked shall again be counted toward the sum necessary for step progression. Progression steps increases, including probation step increases, shall be awarded.
3. Effective January 10, 2005, there is a 1.0% across-the-board increase to base pay.
4. Hours worked between December 1, 2003 – November 28, 2004, do not count for purposes of step progression, including probationary increases. Freezing steps does not affect other forms of pay or benefits based on hours worked (e.g., stability, vacation accrual, seniority).
5. Employees must be paid on step.

Stability Schedule

Stability payments should be paid to eligible employees using the following schedule:

Years of Service	Article 21.5 Stability Rate
5 - 9 years	\$225.00
10 – 14 years	\$325.00
15 – 19 years	\$425.00
20 – 24 years	\$500.00
25 or more years	\$600.00

Compensation Policy, Related Information

1. Employees who work less than 14 hours a week:
 - a) should be appointed to Temporary or Casual appointments, Job Code 0001,
 - b) are not eligible for inclusion in the bargaining unit.
2. Wage rate tables are published in the 2003-2005 union contract on the OHR Web page.
3. Article XVI, 16.4. Please note changes to language regarding eligibility for overtime hours.
4. Article XXIX, 29.1. Please note the clarification of holiday pay on holiday shifts.

Pay Plan Questions

Please direct questions about the Teamsters Pay Plan to your unit Human Resources Pro or central Human Resources Consultant.

- ◆ Unit HR Pros are listed at <http://www1.umn.edu/ohr/st/network.htm>
- ◆ OHR Human Resources Consultants are listed at: <http://www1.umn.edu/ohr/st/groups.htm>
- ◆ Academic Health Center Human Resources staff are listed at: <http://www.ahc.umn.edu/hr/contact.html>

HRMS PeopleSoft Implementation Information

HRMS PeopleSoft implementation dates and instructions will be available June 1, 2004.

HRMS will send implementation instructions to HRMS ACES. Individuals can request copies of the HRMS instructions, after June 1, 2004, by contacting Bonnie Marten at (612) 626 -9665 or e-mail marte004@tc.umn.edu.

**2004-2005 Pay Plan for
AFSCME Health Care Non-Professional Employees
Unit #4 (50xx)**

**Effective June 14, 2004
Published February 24, 2004**

Prepared by Office of Human Resources, Compensation Division

AFSCME Local 3260 (Unit 4) is composed of health care non-professional employees primarily employed in Dentistry, Boynton Health Service and the Community University Health Care Clinic. Representative classifications include Outpatient Clinic Assistant, Dental Hygienist, and Medical Assistant.

**Summary of changes to contract provisions for
Employee pay and classification**

Salary Range or Structure

1. Effective June 14, 2004, there is a 1.25% increase to each salary range minimum, maximum, and to steps.
(Article 27 Salaries, Section 6 Salary Adjustment)
2. Effective June 14, 2004, (after the 1.25% increase) the first step will be eliminated and a new step added at the top of the salary range associated with the following classifications:

Job Code	Classification Name
5067	Dental Prosthetic Technician
5065	Dental Ceramic Technician

3. Effective June 14, 2004, each step of the salary ranges associated with the following classifications is increased by an additional 2.0% (for a total of 3.25%):

Job Code	Classification Name
5070	Specimen Receiving Technician
5077	Medical Laboratory Technician
5075	Medical Assistant
5032	Licensed Practical Nurse
5045	Outpatient Clinic Assistant
5001	Admissions Interviewer

Base Pay

- 1. Effective June 14, 2004, employees receive an across-the-board increase of 1.25%.**
2. Effective June 14, 2004, employees in the following classifications receive an additional 2.0% increase to base pay for a total of 3.25%: Specimen Receiving Technician, Medical Laboratory Technician, Medical Assistant, Licensed Practical Nurse, Outpatient Clinic Assistant, Admissions Interviewer.
- 3. Effective June 14, 2004, employees at the top step of the Dental Prosthetic Technician, Job Code 5067, and Dental Ceramic Technician, Job Code 5065, move to the new top step.**
4. Effective June 14, 2004, progression or step increases are awarded to eligible employees.
- 5. Hours worked prior to September 4, 2003, count towards the next step increase. Freezing steps does not affect other forms of pay or benefits based on hours worked (e.g., career bonus, vacation accrual, seniority).**
6. Employees must be paid on step.

One-Time Payments

1. Career Bonus payments should be paid to eligible employees. (*Article 27 Salaries, Section 9.*)

Compensation Policy, Related Information

1. Employees who work less than 14 hours a week:
 - a) should be appointed to Temporary or Casual appointments, Job Code 0001,
 - b) are not eligible for inclusion in the bargaining unit.
2. Wage rate tables are published in the 2003-2005 union contract. (*Appendix A, Rates of Pay*)

Pay Plan Questions

Please refer questions on this 2004-2005 Pay Plan for AFSCME Health Care Non-Professional Employees to your unit HR Pro or central Human Resources Consultant.

- ◆ Unit HR Pros are listed at <http://www1.umn.edu/ohr/st/network.htm>
- ◆ OHR Human Resources Consultants are listed at <http://www1.umn.edu/ohr/st/groups.htm>
- ◆ Academic Health Center Human Resources staff are listed at: <http://www.ahc.umn.edu/hr/contact.html>

HRMS PeopleSoft Implementation Information

HRMS PeopleSoft implementation dates and instructions will be available June 1, 2004. HRMS will send implementation instructions to HRMS ACES. Individuals can request copies of the HRMS instructions, after June 1, 2004, by contacting Bonnie Marten at (612) 626 -9665 or e-mail marte004@tc.umn.edu.

2004-2005 Pay Plan for Unit #6 AFSCME Clerical Employees (18xx)

Effective June 14, 2004
Published February 24, 2004

Prepared by Office of Human Resources, Compensation Division

AFSCME Locals 3800 and 3801 (Unit 6) are composed of the clerical employees at all campuses and Research and Outreach Centers. These classifications are representative of the unit: Senior Administrative Specialist, Accounts Specialist, Word Processing Specialist, Student Support Services Assistant, and Office Specialist.

Summary of changes to contract provisions for Employee pay and classification

Salary Range or Structure

1. There is no increase to the salary range minimum, maximum, or to existing steps in 2004-2005. The 2002-2003 salary range minimums, maximums and steps are in effect through June 30, 2005. *(Article 19, Section 5)*
2. Effective January 10, 2005, the first step or the first two steps shall be eliminated from the following salary ranges:

Eliminate First Step		Eliminate First two Steps	
Job Code	Classification Name	Job Code	<u>Classification Name</u>
1822	Senior Office Assistant	1808	Accounts Specialist
1833	Principal Administrative Spec	1823	Office Specialist
		1837	Word Processing Specialist
		1842	Principal Data Entry Operator
		1862	Senior Survey Interviewer

3. Effective January 10, 2005, the second step shall be eliminated from the following salary ranges:

Eliminate Second Step	
Job Code	Classification Name
1805	Mail Processor
1807	Senior Accounts Assistant

Base Pay

1. Effective June 14, 2004, employees whose anniversary dates fall on or after June 14, 2004, shall again be eligible to receive a step increase upon reaching their anniversary date. *(Article 19, Section 4, Progression)*
2. Effective June 14, 2004, employees at their salary range maximum receive a 4.0% increase to base pay. This increase will place them above the salary range maximum for their particular classification.
3. Effective January 10, 2005, an employee in a step that is being eliminated (refer to Salary Range or Structure items #2 and #3) will be moved to the next step in the salary range. This movement does not affect the date of their eligibility for future progression increases.
4. Employees must be paid on step. However, employees at their salary range maximum who receive a 4.0% increase on June 14, 2004, will continue to be paid above the salary range maximum.

One-Time Payment

1. Eligible employees receive a single deposit of \$200.00 in their 2005 Health Care Reimbursement Account (HCRA).

Eligibility criteria are:

- a) Employee is eligible for employer contribution to health insurance (75% time or greater appointment).
- b) Employee is participating in UPlan medical and/or dental insurance in January 2005. (Employees who waive single coverage and are a dependent on spouse's UPlan policy are not eligible for payment.)

Please note, there is only one payment for each eligible employee.

Performance Programs

Outstanding Service Award Programs may be used at the discretion of each collegiate/administrative seniority unit. (*Article 19, Section 8, Performance Programs*)

Compensation Policy, Related Information

1. An employee who is recalled or who bumps or is rehired from the layoff list to a position in the same classification anywhere within the University shall maintain the same salary at the time of the layoff. The language limiting this salary guarantee to a return within the department or collegiate administrative unit has been deleted from this section. (*Article 25, Section 11 Salary*)
2. Employees who work less than 14 hours a week:
 - a) should be appointed to Temporary or Casual appointments, Job Code 0001,
 - b) are not eligible for inclusion in the bargaining unit.
3. Wage rate tables are published in the 2003-2005 union contract. (*Appendix D Salary Rate Information*)

Pay Plan Questions

Please refer questions on this 2004-2005 Pay Plan for AFSCME Clerical Employees Pay Plan to your unit HR Pro or your central Human Resources Consultant.

- ◆ Unit HR Pros are listed at <http://www1.umn.edu/ohr/st/network.htm>
- ◆ OHR Human Resources Consultants are listed at: <http://www1.umn.edu/ohr/st/groups.htm>
- ◆ Academic Health Center Human Resources staff are listed at: <http://www.ahc.umn.edu/hr/contact.html>

HRMS PeopleSoft Implementation Information

HRMS PeopleSoft implementation dates and instructions will be available June 1, 2004.

HRMS will send implementation instructions to HRMS ACES. Individuals can request copies of the HRMS instructions, after June 1, 2004, by contacting Bonnie Marten at (612) 626-9665 or e-mail marte004@tc.umn.edu.

2004-2005 Pay Plan for Unit #7 AFSCME Technical Employees (49xx)

**Effective June 14, 2004
Published February 24, 2004**

Prepared by Office of Human Resources, Compensation Division

AFSCME Locals 3937 and 3801 are composed of technical employees at all campuses and Research and Outreach Centers. Representative classifications of this unit are Data Processing Technician, Information Technology Specialist, Telecommunications Engineering Technician, Principal Laboratory Machinist, and Library Assistant.

Summary of changes to contract provisions for Employee pay and classification

Salary Range or Structure

Effective June 14, 2004, there is a 2.5% increase to the salary range minimum, maximum, and to the steps within the salary range. (*Article 19, Section 5*)

Base Pay

1. Effective June 14, 2004, employees receive a 2.5% increase to base pay.
2. Effective July 1, 2004 – June 30, 2005, there are no step or progression or probationary increases to pay.
3. Freezing steps does not affect other forms of pay or benefits (e.g., vacation accrual, seniority).
4. Employees must be paid on step.

Performance Programs

1. Outstanding Service Award Programs may be used at the discretion of each collegiate/administrative seniority unit. (*Article 19, Section 8, Performance Program.*)

Compensation Policy, Related Information

1. Employees who work less than 14 hours a week:
 - a) should be appointed to Temporary or Casual appointments, Job Code 0001,
 - b) are not eligible for inclusion in the bargaining unit.
2. Wage rate tables are published in the 2003-2005 union contract. (Appendix D, Salary Rate Information)

Pay Plan Questions

Please refer questions on this 2004-2005 Pay Plan for AFSCME Technical Employees to your unit HR Pro or your central Human Resources Consultant.

- ◆ HR Pros are listed at <http://www1.umn.edu/ohr/st/network.htm>
- ◆ OHR Human Resources Consultants are listed at: <http://www1.umn.edu/ohr/st/groups.htm>
- ◆ Academic Health Center Human Resources staff are listed at: <http://www.ahc.umn.edu/hr/contact.html>

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Date: February 24, 2004
To: Chancellors, Vice Presidents, Deans, Directors, Department Heads/Chairs
From: Carol Carrier, Vice President, Human Resources
Re: 2004-2005 Pay Plan for Employees Covered by Civil Service Rules

Employees Covered under this Plan

The 2004-2005 Pay Plan for Civil Service employees who are not covered by collective bargaining agreements includes managerial, supervisory, professional, and confidential employees.

2004-2005 Pay Plan for Civil Service Employees not covered by Collective Bargaining Agreements

**Effective June 14, 2004
Published February 24, 2004**

Salary Range Changes

Effective June 14, 2004, salary grade C1 03 will be eliminated. Classifications assigned to salary grade C1 03 will be assigned to salary grade C1 04.

Effective June 14, 2004, salary grade C1 05 will be eliminated. Classifications assigned to salary grade C1 05 will be assigned to salary grade C1 06.

These salary grade adjustments are made for administrative purposes to improve the salary structure. (Civil Service Rule 5, Section 2 Salary Range Changes) The salary grade adjustment will not change the pay of employees working in classifications assigned to these salary grades.

Effective June 14, 2004, pay range minimums and maximums will be increased by 2.0%.

Base Pay Changes

Effective June 14, 2004, units are required to participate in either an across-the-board or merit increase program. Units will automatically be included in the across-the-board increase program UNLESS they notify the Director of Compensation, Office of Human Resources, by **April 1, 2004**, of their intent to offer a merit increase program.

Pay increases, either merit or across-the-board, can be withheld due to previously documented unsatisfactory work performance. No employee may be paid below the salary range minimum or above the salary range maximum.

Units may not be positioned to participate in a June 2004 merit program. The University plans to offer the option of a merit increase program in the 2005-2006 Civil Service Pay Plan.

Across-the-Board Base Pay Increase – June 14, 2004

Effective June 14, 2004, there will be a recurring across-the-board base pay increase of 2.0%. Units are automatically included in the across-the-board increase program.

Merit Increase Program – June 14, 2004

Units that have an OHR approved performance management plan may choose to offer a merit increase program (for all Civil Service employees within the unit). The approved performance management plan must be in place approximately one year prior to implementing merit increases (e.g., June 2003). Performance reviews must be based upon performance standards previously communicated to college/department/campus employees.

The individual in the unit's top leadership position has the authority to decide which salary increase program all the departments (defined as having a 4 character PeopleSoft department code, e.g., 775A) within the unit will offer. The decision to choose a salary increase program may also be delegated to the head(s) of individual departments (e.g., all civil service employees within one PeopleSoft department code) within the larger unit.

The average of the merit increases awarded must equal 2.0%. The merit increase is a recurring increase in base pay for all employees who are paid within their salary range. Employees at or near their salary range maximum receive a one-time lump sum payment for any portion of the increase greater than the salary range maximum.

April 1, 2004, Participation Deadline

Units delivering merit increases must notify the Director of Compensation, Office of Human Resources, with a written statement of their criteria and plan for fair distribution of merit increases no later than April 1, 2004.

Across-the-Board Increase – December 13, 2004

Effective December 13, 2004, an additional 1.0% salary adjustment will also be granted to employees whose most recent University new hire date is on or before December 13, 2003.

Employees are only eligible for the portion of the pay adjustment that increases their pay to their salary range maximum. No employee can be paid above the salary range maximum.

Employees in "Rate Arranged" Classifications

Employees in Rate Arranged classifications are included in all Civil Service pay increase programs (e.g., June 14, 2004, December 13, 2004, Outstanding Service Award, etc.) if the unit has adopted the Civil Service Pay Plan for its Rate Arranged classification. (Units have automatically adopted the Civil Service Pay Plan unless they work with their central HR Consultant to develop an alternative compensation system.)

Base pay will not be increased over an employee's pay range maximum.

Discretionary Salary Adjustments

Discretionary salary adjustments and/or lump sum increases may be granted at any time during the 2004 – 2005 fiscal year, at the discretion of the department/college. Each college, unit or coordinate campus, may determine the approval process and approval authority for discretionary pay increases.

Units are advised to work with their central HR Consultant to develop and implement discretionary pay programs. In-Range Salary Adjustments and Outstanding Service Awards are examples of discretionary adjustments.

In-Range Salary Adjustments

Units may award In-Range Adjustments at their discretion. In-Range salary adjustments are based on individual performance and market competitiveness. In-Range Adjustments are recurring pay increases added to base pay. The increased base pay cannot exceed the pay range maximum. Salary adjustments may be made in the following categories:

- (1) Market adjustment
- (2) Merit adjustment
- (3) Retention adjustment
- (4) Internal equity adjustments
- (5) Significant permanent workload increases

The University-wide In-Range Policy is on-line at:

<http://www1.umn.edu/ohr/ohrpolicy/Compensation/range.htm>

Outstanding Service Awards

Outstanding Service Awards in the form of lump sum payments may be granted this year. Outstanding Service Awards may be made to employees without regard to where their salary falls in the salary range.

Guidelines for Outstanding Service Award Programs are attached. Consult your Human Resources Consultant in the design and implementation of Outstanding Service Award Programs.

Compensation Policy, Related Information

Promotional Pay Increases

Promotional pay increases must meet and may exceed the requirements of Civil Service Rule 5.

Augmentation

It is the department's responsibility to review the individual employee's augmentation pay and the Civil Service Rules to determine if adjustments to the augmentation pay are necessary.

Shift Differential

The shift differential is \$.60 an hour.

Graduate Students

Graduate students appointed to bargaining unit classifications are considered bargaining unit employees and are included in those salary plans.

Temporary and Casual Employees

Temporary and Casual Employees (i.e., classifications 0001/0007) are covered by the Human Resources policy on Temporary and Casual Appointments (see <http://www1.umn.edu/ohr/ohrpolicy/Hiring/Temporary/index.htm>). Temporary and casual appointments are normally **not** eligible for pay increases. Consult your Human Resources Employment Consultant for exceptions to this policy.

Performance Appraisal

The process of managing employee performance is critical to the success of employees, colleges/units, and the University. The Civil Service Rules (Rule 9 Performance Appraisal) require an annual written assessment of employee performance. It is important that performance criteria are communicated to employees when units/colleges initiate the annual performance appraisal process (prior to evaluating performance).

The Civil Service Rules (Rule 7 Probationary Period and Orientation) require at least one written performance appraisal for probationary employees.

The University-wide performance appraisal forms are located at <http://www1.umn.edu/ohr/st/forms.htm>

In some cases, Colleges/Departments/Units may prefer to develop a performance plan (process, and appraisal forms) for their unit. If so, alternate performance appraisal plans must be developed in conjunction with the unit's HR Pro and their central Human Resources Consultant, and approved by the Office of Human Resources, in consultation with the Civil Service Committee.

Pay Plan Questions

Please direct questions about the Civil Service Pay Plan to your unit or Academic Health Center (AHC) HR professional or Office of Human Resources HR Consultant.

Web Site Address List for Related Policies and Information

1. 2004-2005 Civil Service Pay Plan <http://www1.umn.edu/ohr/ohrpolicy/Compensation/Payplans/0405/Civil/>
2. 2004-2005 Civil Service Salary Ranges
<http://www1.umn.edu/ohr/ohrpolicy/Compensation/Payplans/0405/Civil/salary.pdf>
3. Outstanding Service Award Guidelines
<http://www1.umn.edu/ohr/ohrpolicy/Compensation/Payplans/0405/Civil/guidelines.pdf>
4. U of M In-Range Adjustment Policy <http://www1.umn.edu/ohr/ohrpolicy/Compensation/range.htm>
5. Human Resources Consultants Directory <http://www.umn.edu/ohr/st/directories.htm>
6. Academic Health Center employees can refer their questions to the Academic Health Center's Human Resources staff at (612) 624-7957
7. Civil Service Rules <http://www1.umn.edu/ohr/ohrpolicy/Governing/Civil/index.htm>

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HRMS will send implementation instructions to HRMS ACES. Individuals can request copies of the HRMS instructions after June 1, 2004, by contacting Bonnie Marten at (612) 626-9665 or e-mail marte004@tc.umn.edu.

**Classifications with New Salary Grade Assignments
within Salary Administration Plan C1**

Currently in Salary Plan C1 Grade 03 through June 13, 2004

Job Code	Classification	Salary Grade Effective 6-14-2004
7340	Senior Photographer	
7345	Senior Medical Photographer	04
7430	Associate Editor	04
8340	Senior Photographer	04
8345	Senior Medical Photographer	04
8430	Associate Editor	04

Currently in Salary Plan C1 Grade 05 through June 13, 2004

Job Code	Classification	Salary Grade Effective 6-14-2004
0021	Employment Specialist	
7147	Building/Grounds Supervisor	06

University of Minnesota

GUIDELINES FOR OUTSTANDING SERVICE AWARD PROGRAMS

Units of the University are required to document Outstanding Service Award Programs they might wish to implement. Typical considerations to address include, but are not limited to, the following:

PURPOSE OF THE PROGRAMS

The purpose of the programs should be identified; an example might be to recognize and reinforce employee contributions to the department/college.

SELECTION CRITERIA

Outstanding Service Awards are given to recognize employees for their performance; examples might be:

- a. continued/sustained excellent job performance;
- b. contributions to the unit and/or University resulting in, for example increased efficiency, increased quality of service, cost savings, or successful crisis management;
- c. significant contribution to a major unit project or operations; and/or
- d. special service to the unit and/or University.

ELIGIBILITY

This identifies which employees will be eligible to participate (e.g., full-time, part-time, bargaining unit).

AWARD

What form will the award take (e.g., monetary compensation, gift certificate, trophy, plaque)? *Note: Some awards are taxable income and/or affect overtime payment requirements.*

SELECTION PROCESS

Will employees be nominated or recommended by management of the program?

Who is eligible to nominate or recommend employees for the program?

What is the time frame for the nomination and selection processes?

Is there a selection committee? If so, who will the committee members be?

Will there be nomination forms or some other application documentation required?

What evaluation process will be established for the program?

COMMUNICATION

How will eligible employees be notified of the program?

How will recipients be notified?

REVIEW AND UPDATE

Units are encouraged to review their programs on a regular basis.

Refer questions to your central Human Resources Consultant.

SALARY ADMINISTRATION PLAN/GRADE REFERENCE

Effective Date: 06/14/2004

C1 Salary Administration Plan (Formerly Known as 'A' Schedule)

HOURLY				ANNUALLY		
Grade	Min	Mid	Max	Min	Mid	Max
03	Eliminated -----					
04	12.61	16.50	20.39	26,229	34,320	42,411
05	Eliminated -----					
06	13.07	17.42	21.77	27,186	36,234	45,282
07	13.55	18.10	22.65	28,184	37,648	47,112
08	14.00	18.69	23.37	29,120	38,865	48,610
09	14.47	19.33	24.19	30,098	40,207	50,315
10	14.99	20.04	25.09	31,179	41,683	52,187
11	15.54	20.80	26.05	32,323	43,254	54,184
12	16.09	22.00	27.90	33,467	45,750	58,032
14	16.67	22.74	28.80	34,674	47,289	59,904
16	17.26	23.60	29.93	35,901	49,078	62,254
17	17.86	24.44	31.01	37,149	50,825	64,501
19	18.48	25.32	32.15	38,438	52,655	66,872
20	19.20	26.29	33.38	39,936	54,683	69,430
21	19.86	27.21	34.55	41,309	56,587	71,864
22	20.58	28.24	35.90	42,806	58,739	74,672
23	21.35	29.28	37.21	44,408	60,903	77,397
24	22.11	30.38	38.65	45,989	63,191	80,392
25	22.92	31.50	40.08	47,674	65,520	83,366
26	23.78	32.66	41.53	49,462	67,922	86,382
27	24.63	33.85	43.07	51,230	70,408	89,586
28	25.55	35.12	44.69	53,144	73,050	92,955
29	26.49	36.43	46.36	55,099	75,764	96,429
30	27.47	37.75	48.02	57,138	78,510	99,882
31	28.51	39.16	49.80	59,301	81,443	103,584
32	29.55	40.61	51.66	61,464	84,459	107,453
33	30.67	42.13	53.58	63,794	87,620	111,446
34	31.78	43.66	55.54	66,102	90,813	115,523
35	32.96	45.29	57.62	68,557	94,204	119,850

SALARY ADMINISTRATION PLAN/GRADE REFERENCE

Effective Date: 06/14/2004

C3 Salary Administration Plan (Formerly Known as 'C-2' Schedule)

HOURLY				ANNUALLY		
Grade	Min	Mid	Max	Min	Mid	Max
00	8.45	10.53	12.61	17,576	21,903	26,229
04	12.61	12.77	12.93	26,229	26,562	26,894
05	12.61	12.91	13.21	26,229	26,853	27,477
06	12.61	13.08	13.54	26,229	27,196	28,163
07	12.61	13.23	13.84	26,229	27,508	28,787
08	12.61	13.44	14.26	26,229	27,945	29,661
09	12.61	13.64	14.66	26,229	28,361	30,493
10	12.61	13.82	15.03	26,229	28,746	31,262
11	12.61	14.00	15.39	26,229	29,120	32,011
12	12.61	14.25	15.88	26,229	29,630	33,030
13	12.61	14.49	16.37	26,229	30,140	34,050
14	12.61	14.70	16.79	26,229	30,576	34,923
15	12.61	15.19	17.76	26,229	31,585	36,941
16	12.61	15.43	18.24	26,229	32,084	37,939
17	12.61	15.70	18.79	26,229	32,656	39,083
18	12.61	15.97	19.33	26,229	33,218	40,206
19	12.61	16.26	19.90	26,229	33,811	41,392
20	12.61	16.56	20.50	26,229	34,435	42,640
21	12.79	17.25	21.70	26,603	35,870	45,136
22	13.18	17.73	22.27	27,414	36,868	46,322
23	13.55	18.22	22.89	28,184	37,898	47,611
24	13.94	18.75	23.56	28,995	39,000	49,005
25	14.34	19.31	24.28	29,827	40,165	50,502
26	14.76	19.86	24.96	30,701	41,309	51,917
27	15.17	20.42	25.66	31,554	42,464	53,373
28	15.60	21.03	26.45	32,448	43,732	55,016
29	16.03	21.62	27.20	33,342	44,959	56,576
30	16.47	22.26	28.04	34,258	46,291	58,323

SALARY ADMINISTRATION PLAN/GRADE REFERENCE

Effective Date: 06/14/2004

Buyer Salary Administration Plans

Used for Classifications Assigned to Financial Broad Band Series

HOURLY				ANNUALLY		
Sal Plan Grade	Min	Mid	Max	Min	Mid	Max
F10 - 01	14.05	17.56	21.06	29,224	36,515	43,805
F10 - 02	17.11	21.38	25.65	35,589	44,471	53,352
F11 - 01	19.10	23.88	28.66	39,728	49,671	59,613
F11 - 02	24.63	30.79	--	51,230	64,043	--
F12 - 01	21.14	26.43	--	43,971	54,974	--
F12 - 02	24.63	30.79	--	51,230	64,043	--
F13 - 01	26.71	33.39	--	55,557	69,451	--

Information Technology Salary Administration Plans

Used for Classifications Assigned to Information Technology Broad Band Series

HOURLY				ANNUALLY		
Sal Plan Grade	Min	Mid	Max	Min	Mid	Max
I1 - 01	16.04	21.39	26.73	33,363	44,481	55,598
I1 - 02	19.28	25.71	32.14	40,102	53,477	66,851
I2 - 01	23.18	30.93	--	48,214	64,334	--
I2 - 02	26.39	35.20	--	54,891	73,216	--
I4 - 01	23.90	31.86	--	49,712	66,269	--
I4 - 02	30.93	41.37	--	64,334	86,050	--
I6 - 01	33.24	44.34	--	69,139	92,227	--
I6 - 02	36.56	48.77	--	76,045	101,442	--

Library & Museum Salary Administration Plans

Used for Classifications Assigned to Library & Collections Broad Band Series

HOURLY				ANNUALLY		
Sal Plan Grade	Min	Mid	Max	Min	Mid	Max
L10 - 01	13.12	21.00	28.87	27,290	43,670	60,050
L11 - 01	13.81	22.11	30.40	28,725	45,979	63,232
L12 - 01	16.38	16.71	--	34,070	34,757	--
L12 - 02	17.20	17.54	--	35,776	36,483	--
L20 - 01	14.41	21.07	27.73	29,973	43,826	57,678
L20 - 02	15.54	22.21	28.87	32,323	46,187	60,050
L21 - 01	15.54	22.97	30.40	32,323	47,778	63,232

SALARY ADMINISTRATION PLAN/GRADE REFERENCE

Effective Date: 06/14/2004

Nursing Salary Administration Plans

Used for Classifications Assigned to Nursing Broad Band Series

HOURLY					ANNUALLY		
Sal Plan Grade	Min	Mid	Max		Min	Mid	Max
H2 – 12	26.40	33.00	--		54,912	68,640	--
H2 – 15	29.31	36.64	--		60,965	76,211	--
H6 – 01	20.15	26.19	32.22		41,912	54,465	67,018
H6 – 02	22.05	27.56	--		45,864	57,325	--
H8 – 01	23.24	29.07	--		48,339	60,466	--
H8 – 02	24.26	30.31	--		50,461	63,045	--
H8 – 03	26.40	33.00	--		54,912	68,640	--

Paralegal Salary Administration Plans

Used for Classifications Assigned to Paralegal Broad Band Series

HOURLY					ANNUALLY		
Sal Plan Grade	Min	Mid	Max		Min	Mid	Max
P1 – 01	16.83	21.03	--		35,006	43,742	--

Pharmacy Salary Administration Plans

Used for Classifications Assigned to Pharmacy Broad Band Series

HOURLY					ANNUALLY		
Sal Plan Grade	Min	Mid	Max		Min	Mid	Max
P2 – 01	29.35	36.68	--		61,048	76,294	--
P2 – 02	32.58	40.72	--		67,766	84,698	--

March 1, 2004

TO: Chancellors, Provost, Vice Presidents, Twin Cities Campus Deans

FROM: Chris Maziar, Senior Vice President and Provost
Carol Carrier, Vice President for Human Resources

SUBJECT: Principles and Strategies for Salary Adjustments for Faculty (94XX) Not Covered by Collective Bargaining Agreements, Academic Professional and Administrative Staff (97XX, 96XX, 93XX) and Graduate Assistants and other 95XX student employees

Introduction

This memorandum provides a set of guidelines and principles for the fiscal year 2004-2005 compensation strategy that is being recommended to the Board of Regents. The principles and recommended strategies are intended to provide guidance to units as they prepare salary plans for their individual budgets. Chancellors, vice presidents and deans will need to establish their own internal process to meet the April 15, 2004 deadline for submission of unit pay plans to the Office of the Senior Vice President and Provost. Final approval of compensation levels and allocations must be approved by the Board of Regents. The budget will be reviewed at the May 14, 2004 meeting of the Board and is expected to be acted on at the June 11, 2004 meeting.

The principles outlined in this memorandum apply to:

- Faculty in the 94XX series, (but not including UMD faculty)
- Academic professional and administrative staff (97XX, 96XX, 93XX)
- Graduate assistants and others in the 95XX series

The annual salary memorandum for the following employee groups will be sent in the near future:

- Faculty at Duluth covered by UEA contract
- Civil Service employees
- Unionized non-academic employees
- Student employees (undergraduate and non-academic graduate)

Overall Framework for the Compensation Plan

President Bruininks, supported by the Board of Regents, continues to support a management philosophy that focuses on decentralized and shared authority, accountability, and responsibility for the academic directions and investment strategies of the University. This philosophy is supported by the direct distribution of significant revenues to campuses, colleges, and other units. Consistent with this philosophy, the decision making process and funding sources for the 2004-2005 compensation plan, which must address merit and market issues, will be the responsibility of local units.

Funding of Increases

Funding of increases in salary and benefits costs for fiscal year 2004-05 will largely be the responsibility of each academic unit, campus and support unit. For tuition generating units of the University, there will be no central allocations provided to cover the increased costs. Instead, these units will have to rely on internal base reallocations or an increase in generated revenues such as tuition, indirect cost recovery, internal sales, etc. For support units (non-tuition generating units), there will be an O&M allocation equivalent to 15% of the projected compensation cost increase in O&M and State Special funds only to help with this cost. These units will have to rely on internal base reallocations or an increase in generated revenues to fund the remaining 85% of the projected cost increase in O&M and State Specials, and 100% of the projected cost increase in all other funds. (See Phase II Budget Instructions for further details.)

Principles to be Observed in the Identification and Distribution of Funds for 2004-2005 for Faculty and Academic Professional and Administrative Staff Salary Increases

1. The need to improve the competitiveness of faculty and staff salaries relative to the various markets in which we compete remains a primary principle of the University's compensation strategy.
2. Chancellors, vice presidents, and deans, with sufficient resources to meet budgeted obligations and commitments, may add additional funds to the salary pool for faculty and academic staff. These additional funds must be used to address unusual and documented challenges of market competitiveness (e.g. compensation inflation in a field considerably higher than that for average faculty or academic staff compensation inflation across the University). Approval for a well-documented plan to add extra funding to a unit's compensation pool must be received by the appropriate senior vice president before such awards can be communicated to individuals. Senior administrators are also expected to consult with their faculty and P & A staff groups about the choices that must be made to provide such additional unit funding. Additional unit funds added to the salary pool may be distributed as recurring base adjustments, non-recurring adjustments, or a combination of both.
3. A dean, vice president, provost, or chancellor may hold a portion of the salary pool for distribution during the year rather than assigning all funds at the beginning of 2004-2005. These funds must be used during the current fiscal year and are intended to support salary considerations related to current faculty and P&A staff.
4. In all cases, unit procedures for determining increases must be consistent with existing Faculty Compensation Policy and Academic Professional and Administrative Staff Compensation Policy.
5. The merit review process is to be carried out in a timely fashion and increases should be reflected in the new base pay rates for 2004-2005.
6. All increases to faculty and P & A base salaries, for individuals not covered by collective bargaining agreements, will be based on merit/market competitiveness; allocations are not to be distributed in an across-the-board fashion either in equal dollar increments or equal percentage increments to individuals.
7. University policy requires annual performance evaluations of all academic personnel as the means of assessing meritorious performance. Supervisory and administrative staff have special responsibilities for implementing our equal opportunity commitment in all aspects of the work environment, including the evaluation of personnel performance.
8. No minimum or maximum increases for individuals are mandated.
9. Funds to support salary increases will be allocated pending approval of the budget by the Board of Regents, which is expected in June.
10. Because budget challenges prevented the University from implementing a compensation improvement plan for this past year, it is important that merit adjustments of compensation include consideration of the annual performance review conducted for the 2002-2003 year as well as for 2003-2004.

Salary Plans

Deans and other senior administrators must submit, to the appropriate chancellor or senior vice president, a plan for the compensation strategy for their unit. Chancellors and senior vice presidents will notify units of the appropriate turnaround date for submission of unit plans. Chancellors, vice presidents, and deans must submit to the appropriate Senior Vice President, by April 15, 2004, a one-page plan outlining their compensation strategy. All plans must include the following components:

1. The average percentage increase to be distributed to base salaries. In general, this should be 2.5% of faculty and academic personnel base salaries. These increases should be based on a merit evaluation and are not "across the board" increases.

2. Any extraordinary market competitiveness situation that would argue for delivering a higher percentage increase to one or more subgroups of faculty or other academic personnel within the unit. These should include appropriate supporting data and documentation.
3. Inclusion of appropriate supporting data/documentation for conditions described in section #2.
4. The nature of the consultation process with faculty and P & A staff that was followed in arriving at the compensation strategy

Promotional Salary Increases

Faculty

In no case shall the increase to base salary for those receiving promotions and or tenure be less than the amounts shown below:

- Awarding of promotion for regular faculty: Standard recurring increases for promotion and/or tenure to be added to the annual base salary are the following:
 - Assistant Professor without tenure to Associate Professor with tenure - \$1500
 - Assistant Professor with tenure to Associate Professor with tenure - \$1500
 - Associate Professor without tenure to Associate Professor with tenure - \$1500
 - Associate Professor without tenure to Professor with tenure - \$2000
 - Associate Professor with tenure to Professor with tenure - \$2000

Awarding of promotion for non-regular faculty (i.e., appointment types such as A, U, I, K, J): units may, at their discretion, award promotional increases in accord with past practice in the respective units provided that such increases do not exceed those proposed above for regular faculty.

Academic Professional and Administrative Staff:

In no case shall the increase to base salary for those receiving promotions and or continuous appointment be less than the amounts shown below:

- Awarding of continuous appointment for academic professionals: the standard increase is \$1500. (Note: if a promotion accompanies the continuous appointment, the total increase is still \$1500.)
- Awarding of promotion for academic professionals or academic administrators: the standard award is \$1500 for approved promotions (e.g., from "Associate Librarian" to "Librarian").

Retention Offers

The approval of the appropriate chancellor, senior vice president or president is required when making retention offers. In addition, notification of a retention offer must be provided to the Office of Human Resources if it involves an increase in salary. Units must fund retention offers; no additional central funds will be available for this purpose.

Graduate Assistants and Other 95XX Titles

Local units are responsible for generating a 2.5% pool of funds to support increases to graduate assistant salaries in 2004-2005. Increases in rates for continuing graduate assistants and other 95XX classes should be made on the basis of criteria established by the graduate or professional training program. Individual performance should be a major determinant but other criteria may be considered as well.

Questions

Questions related to the calculation of the centrally delivered funds can be answered by contacting the Budget Office at 612-625-4517.

Questions related to this academic compensation memo can be answered by the Office of Human Resources at 612-624-9817 or 612-624-6556.

Note

Salary floors for academic employees for 2004-2005 have been increased. Note that these floors are most particularly relevant to newly hired academic employees.

Non-recurring increases, in whatever form, shall be explicitly documented to the affected individual using the standardized language.

The standardized template language for non-recurring increases and the Academic Floor, Fixed Ranges and Fixed Rates document is available at the following Human Resource Web page address:
<http://www1.umn.edu/ohr/ohrpolicy/Compensation/index.htm>

Attachment C
Assessment Parameters – FY05

	Enterprise Assessment [Automated Program]
<u>Assessment rate</u>	1.25%
Units assessed	<u>Collegiate, campus, and central administrative units</u>
Assessment base	Salaries: Objects: 7000, 7005, 7010, 7015 All subobjects except for 50 – Workstudy
Fund groups and/or funds	Operations & Maintenance (GOM) Restricted State Specials (RSS), except LCMR funds Indirect Cost Recovery (ICR) Auxiliaries (AUX) Unrestricted (UNR) Private Practice (1570, 1571)
Exclusions	RRCs: TESP, TINA, TSYS Retirement Allowances: 1003-776-1100 Deferred Compensation Supplement: 1198-775-3020 NIH Offset Accounts: orgs > 6000 on 1198 funds LCMR funds: 1520, 1527, 1534, 1542
Timing	Monthly – based on actual salaries in that month Posted approximately two days before soft close of the current month
Document ID	JV UNA {XX}XXXXXX UNA <u>U</u> niversity <u>A</u> ssessment {XX} Current accounting period on which assessment is based XXXXXX – sequential numbering
Level of assessment	fund-area-org
Object/subobject code charged in your account	8610 / 20 Administrative Fees / University Assessments
Paper reports	No distribution to units 1 copy maintained in Budget Office
Questions?	FSS HelpLine – 624-1617 Budget Office – 625-4517

	Institutional Revenue Sharing (IRS) – Twin Cities	
	[Automated Portion]	[Total Assessment]
Assessment rate	3.75%	8.5%
Units assessed	Collegiate and central administrative units – Twin Cities	Collegiate units – Twin Cities
Assessment base	<u>Actual Revenues:</u> Revenue Codes: 4230, 4300, 4301-4339, 4500, 4600, 4610, 4400 except for subrevenues 30 & 45, 4620 except for subrevenues 45 & 55, 4920, and 4950	<u>Actual Total Revenues:</u> Revenue codes: 4000 – 5899, plus 5985, with adjustment for TUIT and IDCR
Fund groups and/or funds	Auxiliaries (AUX) Unrestricted (UNR) Private Practice (1570, 1571)	Central Reserves (CRS) Operations & Maintenance (GOM) Indirect Cost Recovery (ICR) Auxiliaries (AUX) Unrestricted (UNR) Federal Appropriations (FAP) State Specials (RSS) Nonsponsored-Bus & Industry (NBI) Nonsponsored-Foundations (NFD) Nonsponsored-Federal (NFU) Nonsponsored-Other Governments (NGV) Nonsponsored-State of MN (NMN) Nonsponsored-Other (NOT)
Exclusions	RRCs: TESP, TINA, TSYS Computer Store: 1113-593-1100 Other Central Pools (fringe benefit pool allocations) ISSS: 1198-287-1125 ISWOP: 1198-287-1150 ISTC: 1198-700-1004 China Center Global Campus Agricultural Commodities (TAES, TCOA) Campus Life Student Organizations	RRCs: TESP, TINA, TSYS Revenue code 4410 – Internal Sales AES federal appropriations: funds 1403, 1404, 1406,1416 Agricultural Commodities (TAES, TCOA) Affiliated hospitals salary reimbursements: fund 1859, rev/subrev 4300 / 65, 1855-655-1095; 1855-655-1970 1198-657-1466 County funded salary reimbursements: 1854-423-2021; 1854-423-2022; 1854-425-2610; 1854-426-2610; 1854-428-2610; 1854-428-2630; 1854-429-2610; 1854-429-2620; 1854-429-2630; 1854-430-2610 (TEXT) Concerts & Lectures – non-University revenue (outside performances) Object code 7800, subobject 10 and 40, all funds and object code 8620 all funds
Timing	Monthly – based on actual revenues in the previous month Posted approximately two working days after soft close for the previous month	Annually – based on 8.5% of actual revenues for the current fiscal year less 3.75% automated calculation. Bills will be sent to each unit in accounting period 13 of fiscal year.
Document ID	JV IRS {XX}XXXXXX IRS Institutional Revenue Sharing {XX} Previous accounting period on which assessment is based	IV{XXX}XXXXXXXX {XXX} Area number of unit preparing the document Paying unit will prepare the transaction
Level of assessment	Fund-area-org	Collegiate level or below – college Dean is to make determination
Object/sub-object code charged in your account	8611 / 10 Institutional Revenue Sharing / IRS	8611 / 10 Institutional Revenue Sharing / IRS
Questions?	FSS HelpLine – 624-1617 Budget Office – 625-4517	Budget Office – 625-4517

	Institutional Revenue Sharing (IRS) - Coordinates	
	[Automated Portion]	[Total Assessment]
Assessment rate	3.75%	8.5%
Units assessed	Coordinate campus collegiate and central administrative units	Coordinate campus collegiate units
Assessment base	<u>Actual Revenues:</u> Revenue Codes: 4230, 4300, 4301-4339, 4500, 4600, 4610, 4400 except for subrevenues 30 & 45, 4620 except for subrevenues 45 & 55, 4920, and 4950	<u>Actual Total Revenues:</u> Revenue codes: 4000 – 5899, plus 5985, with adjustment for TUIT and IDCR
Fund groups and/or funds	Auxiliaries (AUX) Unrestricted (UNR) Private Practice (1570, 1571)	Central Reserves (CRS) Operations & Maintenance (GOM) Indirect Cost Recovery (ICR) Unrestricted (UNR) Federal Appropriations (FAP) State Specials (RSS) Nonsponsored-Bus & Industry (NBI) Nonsponsored-Foundations (NFD) Nonsponsored-Federal (NFU) Nonsponsored-Other Governments (NGV) Nonsponsored-State of MN (NMN) Nonsponsored-Other (NOT)
Exclusions	Other Central Pools (fringe benefit pool allocations)	Revenue code 4410 – Internal sales UMD Telecom: 1196-182, rev src 4150 Pell & SEOG: fund-areas 1810-121, 1811-121, 1822-213, 1823-213, 1835-271, 1836-271, rev src 4300 Area Class DFAC-Facilities Mgmt (Duluth) Area 115-Plant Services (Crookston) Area 268-Plant Services Admin (Morris) Object code 7800, subobject 10 and 40, all funds And object code 8620 all funds
Timing	Monthly – based on actual revenues in the previous month Posted approximately two working days after soft close for the previous month	Annually – based on 8.5% of actual revenues for the current fiscal year less 3.75% automated calculation on UNR funds. Bills will be sent to each unit in accounting period 13 of fiscal year.
Document ID	JV IRS {XX}XXXXXX IRS Institutional Revenue Sharing {XX} Previous accounting period on which assessment is based XXXXXX – sequential numbering	IV{XXX}XXXXXXXXX {XXX} Area number of unit preparing the document Paying unit will prepare the transaction
Level of assessment	Fund-area-org	Campus level or below – Vice Chancellor of Finance to make determination
Object/sub-object code charged in your account	8611 / 10 Institutional Revenue Sharing / IRS	8611 / 10 Institutional Revenue Sharing / IRS
Questions?	FSS HelpLine – 624-1617 Budget Office – 625-4517	Budget Office – 625-4517

Note: Auxiliary fund revenues are NOT included in the Total Assessment calculation – auxiliary revenues are charged 3.75% on a monthly basis.