MEMORANDUM

TO: Divisional and College Budget Officers

FROM: John T. Blair
       Director, Budget & Fiscal Analysis (BFA)

DATE: May 3, 2010

SUBJECT: FY 2011 Working Budget Instructions

Enclosed are the instructions and forms necessary for division, college and departmental preparation of the fiscal year 2011 detailed operating budget. The information provided represents a composite of policy and procedural direction received from the State, System Administration, and Campus Administration. A complete copy of these instructions can be found at the Budget and Fiscal Analysis (BFA) website under Working Budget Instructions at:

http://otcads.umd.edu/bfa/instructionsworkbudg.html

The Budget Preparation and Maintenance (BPM) Working Budget System has been modified with improvements from last year. Please reference to the Experienced User Summary of Changes for FY 2011 Working Budget for the highlights of these changes, which is available at the link below:

http://otcads.umd.edu/bfa/bpmsystem.html

The full BPM Training and User Manual for new users are also available at that address.

Divisions should complete their budgets and salary setting **no later than 5 p.m., Wednesday, May 19th.**

The staff members of BFA are prepared to assist you anytime during the working budget process. Should you have any questions, please contact us on extension 55627. Questions related to the BPM System should be directed to Theresa Beck at extension 55636 or, in her absence, Melissa Diehl at extension 50739.

Enclosures

cc: Dr. C. D. Mote, Jr.
    Dr. Ann G. Wylie
    Dr. Sally Koblnsky
    Ms. Julie Phelps
TABLE OF CONTENTS

I. FY 2011 Working Budget Schedule 3

II. General Guidelines 4
   A. Salary Setting Guidelines 4
      1) Cost of Living Adjustment (COLA) and Merit 4
      2) Non-Exempts on Probation 4
      3) Promotions and Reclasses for Exempt and Non-Exempt Employees 4
      4) Salary Schedules 4
   B. Salary Budgeting Guidelines 5
      1) Fringe Benefits 5
      2) Turnover/Vacant Lines 5
      3) Additional Authorized Budget FTE 5
      4) Reduction of Budgeted FTE 5
      5) Contingent II Employees Scheduled for Conversion in FY 2011 5
   C. Overall Budget 6
      1) Alignment of Budget with Actuals 6
      2) Budgeting in Ledgers 2, 4, 5, or 9 6
      3) 1% Budget Set-Aside 6
      4) Subcodes 2995 and 2996 6
      5) Summer/Winter/Freshman Connection Revenue Allocations 7
      6) Other Departmental Tuition Revenues 7
      7) Voice/Data Expenses 7
   D. State-Supported Tracking Sheets and Allocations 7
   E. Review Checklist 8

III. Supplemental Instructions for Self-Support Units 9

• Attachments
  • A - Salary Guidelines from President Mote to Vice Presidents
  • B - Stipend Levels for Graduate Assistant and Fellows for FY 2011
  • C - Probation Rules for Regular Status Non-exempt Employees
  • D - Non-Exempts – Probation Scheduled to End Between April 24 and June 30th
  • E - Review Checklist
  • F - State-Supported Tracking Sheet
  • G - Self Support Instructions and Tracking Sheet
  • H - SVPAAP Allocations
  • I - Letter from President Mote Regarding a 1% Budget Set-Aside
### FY 2011 WORKING BUDGET SCHEDULE

<table>
<thead>
<tr>
<th>Day</th>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Monday</td>
<td>April 12</td>
<td>State of Maryland Legislative Session closes.</td>
</tr>
<tr>
<td>Tues-Wed</td>
<td>April 13-21</td>
<td>BPM System Training</td>
</tr>
<tr>
<td>Tuesday</td>
<td>April 20</td>
<td>Last day to request new accounts or account modifications in order to be processed for the freeze data for BPM WB.</td>
</tr>
<tr>
<td>Thursday</td>
<td>April 22</td>
<td>University Administration finalizes working budget allocations.</td>
</tr>
<tr>
<td>Thursday</td>
<td>April 22</td>
<td>3:00 p.m. Last day to process ELF Budget Amendments prior to freeze of BPM data for working budget.</td>
</tr>
<tr>
<td>Friday</td>
<td>April 23</td>
<td>5:00 p.m. Last day for approved updates to PHR prior to freeze of data for BPM working budget. Future-dated appointment changes—effective on or before June 30 for 12-month employees, and effective on or before Pay Period 04 (beginning August 1) for academic year faculty—will be included in the FY 11 working budget system.</td>
</tr>
<tr>
<td>Thursday</td>
<td>April 29</td>
<td>9:00 a.m. BFA distributes working budget instructions to divisions and colleges for salary setting and budget allocations. BPM open to divisions and colleges.</td>
</tr>
<tr>
<td>Wednesday</td>
<td>May 5</td>
<td>9:00 a.m. BPM system opened to departmental users.*</td>
</tr>
<tr>
<td>Wednesday</td>
<td>May 12</td>
<td>5:00 p.m. BPM system closed to departmental users.*</td>
</tr>
<tr>
<td>Wednesday</td>
<td>May 19</td>
<td>5:00 p.m. BPM system closed to divisions and colleges. Tracking sheets due to BFA.</td>
</tr>
<tr>
<td>Tuesday</td>
<td>May 25</td>
<td>5:00 p.m. BFA releases salary data for payroll conversion.</td>
</tr>
<tr>
<td>Tuesday</td>
<td>June 1</td>
<td>5:00 p.m. Files submitted from BPM to PHR for payroll conversion.</td>
</tr>
<tr>
<td>Monday</td>
<td>June 7</td>
<td>8:00 a.m. PHR payroll conversion loaded.</td>
</tr>
<tr>
<td>Tuesday</td>
<td>June 8</td>
<td>Payroll distributes payroll conversion reports to units for verification and correction in PHR.</td>
</tr>
<tr>
<td>Friday</td>
<td>June 18</td>
<td>BFA loads working budget into FRS.</td>
</tr>
<tr>
<td>Monday</td>
<td>June 28</td>
<td>11:00 p.m. Last day for units to make payroll corrections in PHR for July 1 salaries and funding/accounts.</td>
</tr>
</tbody>
</table>

* Colleges/Divisions may choose to open BPM to departments prior to May 5, and keep the system open beyond May 12, at their discretion. Requests for alternate dates should be made to Theresa Beck (tbeck@umd.edu, Ext. 5-5636).
II. GENERAL GUIDELINES

The following guidelines are University-wide and apply to all sources of funding in the state-supported and non-state supported budgets.

A. Salary Setting Guidelines

Please refer first to the Salary Guidelines from President Mote to Vice Presidents (Attachment A). The following are additional instructions from the Office of Budget and Fiscal Analysis.

1) COLA and Merit

There will not be any COLA or merit for FY 2011. In BPM, salaries will be set automatically with “Yes” displayed in the “Salary Set” column. Salaries will need to be reset for employees who have adjustments. A report is available in BPM titled “Salary Adjustments – FY 2011” that displays just those employees for whom you made salary changes.

2) Non-Exempts on Probation

Attachment C – Probation Rules for Regular Status Non-Exempt Employees provides a summary of the probation rules for regular non-exempt employees regarding the 2.5% step increase. Employees completing original probation, promotion status change probation (with a competitive search), and CII conversion probation before July 1st are eligible for a 2.5% step increase. Attachment D has a list of non-exempts who are scheduled to complete probation between April 24th and June 30th. Non-bargaining unit employees are eligible to come off probation early. Please contact Kim Colbert in Human Resources at X55664 (kcolbert@umd.edu) if you have questions about a non-exempt employee’s eligibility for the 2.5% step increase received after the successful conclusion of certain probationary periods.

3) Promotions and Reclasses for Exempt and Non-Exempt Employees

Promotions and reclasses for exempt or non-exempt employees effective before July 1st entered into PHR after the data freeze (April 23rd) must also be entered into BPM as an adjustment to the current base salary on the salary setting screen.

4) Salary Schedules

The salary schedules are included as follows:

Exempt Pay Scale – Included in Attachment A
Non-Exempt Pay Scale – Included in Attachment A
Stipend Levels for Graduate Assistants and Fellows – Included in Attachment B
The faculty salary guides are located at:

http://www provost umd edu/pers bud/Forms/Forms html

B. Salary Budgeting Guidelines

1) Fringe Benefits

For the state-supported budgets, fringe benefits are budgeted and administered at the campus level.

For non-state supported budgets, refer to Section III - Supplemental Instructions for Self-Supported Units. Also, for non-state activities, please note that tuition remission of UMCP employees attending University College will be charged to the non-state accounts the employee is paid from beginning in fiscal year 2011. Please budget and plan for these remissions accordingly.

2) Turnover/Vacant Lines

Units’ turnover allocated in subcode 2999 should be 2%-4% of the following salary subcodes: 1011, 1012, 1013, 1014, 1015, 1016, 1018, and 1020. Self-support units should also add 2-4% of fringes budgeted in the following fringe subcodes: 2705, 2715, 2720, 2725, 2730, 2731, 2755, 2760, 2766, 2769, 2770, and 2771. Vacant lines should have salary budgeted within the salary range for the position.

3) Additional Authorized Budget FTE

If you have been authorized by BFA to add additional budget FTE to your division, you may create a vacant budgeted position in BPM and add the FTE to this position or add the budget FTE to one of your existing positions. Please see page 39 of the BPM Training and User Manual for instructions on how to create a pending position. When creating the related permanent position in PHR, please indicate the pending position number you created in BPM in your request so that the budget may be moved.

4) Reduction of Budgeted FTE

With the budget reductions during fiscal year 2010, UMCP was required to reduce budgeted FTE. Your division’s or college’s pro-rata share of the FTE reduction is shown on your state-supported tracking sheet. Please reduce your budgeted FTE in BPM. Page 27 of the BPM Training and User Manual shows how to do an adjustment of BPM FTE.

5) Contingent II Employees Scheduled for Conversion in FY 2011

Please adjust your contingent II budget (2090) and itemized position budgets to reflect employees scheduled to convert in FY 2011.
C. **Overall Budget Guidelines**

1) **Alignment of Budget with Actuals**

Among other factors, effective financial management requires 1) budget development based on the best estimates at the time and 2) meaningful comparisons of budget to actuals. When developing your FY 2011 budget, please consider actual results; i.e., historical trends and future expected trends and events. Budget all anticipated activity, revenues, expenditures, and transfers, to the extent practical. Please set your budget on the **position, account, and subcode** where the actuals will be recorded.

2) **Budgeting in Ledgers 2, 4, 5 or 9**

Budgeting in these ledgers is permitted only as follows:

i. **Ledger 2 (Accounts beginning with 2)**

   Permitted for 28XXXX accounts (Self-Supports), 293XXX accounts (DRIF), and 294XXX (AGNR and MFRI only)

ii. **Ledger 4 (Accounts beginning with 4)**

   Permitted for MFRI and AGNR only.

iii. **Ledger 5 (Accounts beginning with 5)**

   Permitted for BFA only.

iv. **Ledger 9 (Accounts beginning with 9)**

   Permitted for accounts 990000, 990004, 990077, and 990146 – VPSA.

3) **1% Budget Set-Aside**

Please be aware that on April 20, 2010, Dr. Mote requested each Vice President to set-aside 1% of their budget for potential future budget reductions in FY 2011. (Please see *Attachment I – Letter from President Mote Regarding a 1% Budget Set-Aside.*

4) **Subcodes 2995 and 2996**

Please zero out any budgets in subcodes 2995 - Cost Containment and 2996 – Furlough Savings and distribute any amounts to other subcodes.
5) **Summer/Winter/Freshman Connection Revenue Allocations**

Three subcodes should be used to record the allocation of summer, winter, or Freshman Connection revenue to departments:

- 9939 – Summer Term Rev. Alloc
- 9940 – Winter Term Rev. Alloc
- 9941 – Freshman Connect Rev. Alloc

Please budget your estimated share of the summer/winter/Freshman Connection revenue in these subcodes and budget the related expenditures equal to the estimated revenues.

6) **Other Departmental Tuition and Fees Revenues**

If your college has tuition and fees revenues, please remember to budget projected revenues and also budget related expenditures equal to the projected revenue. For those units with revenue related to mandatory fees, please refer to Attachment G3 for the authorized amount.

7) **Voice/Data Expenses**

For state-supported operations, the campus rate per IP address is changing from $7 per IP address per month to $8. Units should adjust their telecommunications budgets to reflect this increase. Self-support and auxiliary data rates are unchanged at $14 per IP address per month.

D. **State-Supported Tracking Sheet and Allocations**

The working budget instructions include *Attachment F – State-Supported Tracking Sheet*. These instructions include a sample spreadsheet for your reference. We are separately e-mailing each division/college a spreadsheet that contains its own data. Each division/college must return (by e-mail) the updated tracking sheets to BFA by no later than 5 p.m., Wednesday, May 19. A description of each section in the spreadsheet follows:

**Section: FY 2011 Base Budget**

This row agrees with the division/college’s balances and fees in the FY 2011 BPM WB System (Revised Column) of the Working Budget Changes Summary Report. *(We suggest you print this report out and make the comparison BEFORE inputting any changes in BPM.)* This column will also agree with FY 2010 BPM Live System’s ‘Future Year’ column on the Account Roll-Up Report.
Section: Allocations

The rows under this heading contain approved allocations made by the university to the division/college, such as special allocations made by the Provost. Divisions/colleges need to distribute these amounts to their accounts in BPM. For additional details on Provost Allocations, see Attachment H - SVPAAP Allocations.

Section: FY 2011 Send-Out Budget

This row shows what your budget and ftes should be after entry of the allocations from the section above.

Section: Post Send-Out Allocations

If you receive any additional university/provost allocations after the April 30th send-out date, please enter it here on your tracking sheet.

Section: Division Changes

Divisions/colleges may use this section to record other changes to its overall state expenditures or revenues, such as budget transfers between divisions/colleges and increases in activity related to state-supported revenues retained by the college/division. Explain them in detail. Transfers of budgeted FTE and/or budgeted resources between state-supported programs and self-supported (non-state) activities are, in some cases, necessary to reflect organizational changes or moves in response to the workload. Such movement should be documented in your supporting material, identified on the worksheets, and reconciled on the returned tracking sheet.

Section: FY 2011 Final Working Budget

Before returning your tracking sheet to BFA, please agree this row to the Budget Summary Report in the FY 2011 BPM WB System. Each column in this row must agree with the report in both FTE and amount.

E. Review Checklist

Attachment E – Review Checklist is provided for divisions/colleges and for BFA to check state and non-state salaries and budgets. Please complete each step and return this checklist with the tracking spreadsheets (Attachment F- State and Attachment G-Non-State Supported) by no later than 5 p.m., Wednesday, May 19th by e-mail.

As each divisional (or college) business officer is ultimately responsible for the accuracy, completeness, and compliance of the salaries and budget, we require the divisional (or college) business officer to certify the review checklist.
III. SUPPLEMENTAL INSTRUCTIONS FOR SELF-SUPPORT UNITS

Units designated as auxiliary enterprises or self-support should refer to Attachment G – Self-Support Instructions and Tracking Sheet for guidance.

Please remember to include non-state activity when completing Attachment E – Review Checklist during your review of your division’s budgets and salaries. In addition, please complete and return the Tracking Sheet included in Attachment G.