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Deadline for submission of your budget and submission of your RC level narrative is

**Monday, May 27, 2019 (tentative)**
Bloomington Campus
Preliminary 2019-20 Budget Construction Information
General Fund and Non-General Fund Accounts

A. Introduction

This document, along with supplemental details contained in the attachments, provides the necessary information for preparing your FY 2019-20 budget requests. As in past years, the Budgetary Administration and Planning Office will formally review each budget to check for compliance with campus and university policies. Any deviations from these guidelines or policies must be approved by Budgetary Administration and Planning.

Our focus in developing this budget is, as always, the responsible stewardship of IU’s resources. Each of us is accountable for how we allocate these funds and our decisions should be guided by our continued focus on student affordability and supporting excellence in our core missions of teaching, research, and service. The budget should be a template of the plans for the upcoming year as units should strive for aligning budgets closely with planned activities. Aligning unit priorities with campus strategic goals will further enhance our ability to leverage the collective assets of the campus, create efficiencies in implementation, and foster connections among units and systems that can lead to improved outcomes for students and faculty.
B. Salary and Benefits

1. Salary and Wage Policy for Fiscal Year 2019-20 and 2020-21
   All Fund Groups – Support Unit Schedule

The salary and wage policy for fiscal year 2019-20 & 2020-21 provides guidelines for salary and wage setting that supports the objective of optimizing the university’s ability to continue to attract and retain outstanding faculty and staff talent.

The salary and wage policy is predicated on an overall budget framework WITHOUT structural deficits.

2019-20 Policy

- Each RC average base salary increase pool is approved up to 2% for continuing faculty and staff:
- The 2% increase pool includes a mandatory increase of 1% (RC Level), and an additional increase of up to 1% is permitted assuming the organization has available resources. Exceptions include:
  - Union employees
  - Employees with annual base rates below $31,200
- Exceptions to the 1% mandatory increase (RC Level) requires approval by the Provost.
- BL Support Unit RC’s will be centrally funded 1.5%. Up to an additional .5% will be allowed, per policy, based on the RC’s own funding ability.
- Increases above 8% without one of the exception codes noted in this policy should be sent to AVP Aimee Heeter (aheeter@iu.edu). These increases will be Approved by the Provost & Executive Vice President. Increases will also be reviewed by the Vice President for Human Resources and the Vice President & Chief Financial Officer.

2020-21 Policy

- RC average base salary increase pool is approved up to 2% for continuing faculty and staff assuming the organization has available resources. Exceptions include:
  - Union employees
  - Employees with annual base rates below $31,200
- Increases above 8% without one of the exception codes noted in this policy should be sent to AVP Aimee Heeter (aheeter@iu.edu). These increases will be Approved by the Provost & Executive Vice President. Increases will also be reviewed by the Vice President for Human Resources and the Vice President & Chief Financial Officer.
- RCs will not be setting salaries for FY 21 in FY 20 Budget Construction (this is for planning only).

A list of includable reason codes is provided below. An employee receiving a 0% increase must be coded with one of the following codes. Employees’ base pay must meet or exceed the minimum of the pay range for their position’s classification. The use of these codes will NOT exclude an increase.
from the salary average increase calculation:

a. INS – Insufficient Funds.
b. MID – Employee received off-cycle increase during the current fiscal year resulting in no 7/1 increase or a reduced increase %.
c. NEW – Academic, Professional staff and non-union support or service new hire resulting in no 7/1 increase or a reduced increase %.
d. PER – Less than satisfactory performance, which should be documented by a performance improvement plan or other corrective action in the current fiscal year or within the previous 12 months, resulting in no or a reduced increase.
e. TER – Employee will terminate or retire during the upcoming fiscal year and should not receive an increase.

The policy provides an exception for individuals excluded from the average for the following reasons ONLY (please code for exclusion every funding line with the reason code and calculated amount of the exclusion):

Excludable Reason Codes Applicable to Faculty:

a. EQU – Affirmative Action approved increases.
b. FLT – Employees earning less than $31,200 annualized, receiving a flat increase.
c. INT – Employee salary increases mandated by the Department of Labor.
d. MAR – Market adjustments for faculty that have fallen behind in base salary as compared to similar appointments on campus. The request will be submitted to the Campus Budget Office and Campus Academic Affairs Office for approval. Requests should also be submitted to aheeter@iu.edu.
e. MYR – Written agreement completed prior to May 13 that includes a salary increase requirement for the upcoming fiscal year. Please provide a copy of the individual’s agreement to Aimee Heeter (aheeter@iu.edu).
f. NTN – Newly tenured faculty.
g. PRO – Faculty receiving promotion in rank or newly named as Distinguished Professors.

NOTE: Faculty with the exclusion code of NTN or PRO should receive the standard increase associated with the exclusion as well as the salary policy increase established for the campus. The total amount will be entered into the request field and the exclusion amount entered into the reason code amount field.

Excludable Reason Codes Applicable to Staff:

a. EQU – Affirmative Action approved increases.
b. FLT – Employees earning less than $31,200 annualized, receiving a flat increase.
c. FYS – Fiscal year supplement is required for Non-Exempt staff above the maximum salary range. This reason code may also be used for exempt employees above the maximum of the salary range or other non-union employees who are receiving compensation well above their position requirements for the salary range.
d. HLR – Staff position duties have substantially changed within level and the position now has a sustained increase in responsibility documented in a position description approved by Compensation during the current fiscal year. In addition:
   i. In order to use this code, the increase cannot have already been processed via a Mid-year Pay Adjustment.
   ii. The staff position is eligible for a salary/wage increase up to an additional 8% (combining the HLR percentage with the campus/RC salary policy will result in a higher percentage).
   iii. Requested increases should not exceed the associated salary range maximum or create internal equity or compression issues.
   iv. Submit the increase request and supporting documentation to Compensation via hrcomp@iu.edu by May 13.

e. INT – Employee salary increases mandated by the Department of Labor.
f. MAR – Market adjustments for employees that have fallen behind in base salary as compared to similar positions on campus and/or in the market. External market data must be provided to and approved by Compensation. Submit the request and supporting documentation to Compensation via hrcomp@iu.edu by May 13.
g. MYR – Written agreements completed prior to May 13 that include a salary increase requirement for the upcoming fiscal year. Please provide a copy of the individual’s agreement to Aimee Heeter (aheeter@iu.edu).
h. RCL – Staff either (a) reclassified to a higher rank, or (b) promoted to a different position of higher rank effective 7/1 of the upcoming fiscal year.

For Employees with Base Rates Less Than $31,200*

Employees earning less than $31,200 on a full time calculation, after a 2% salary increase, will receive an additional base increase up to $624. This increase is limited to the amount needed to reach $15/hr or $31,200/annually.

To achieve the University’s goal of a $15 minimum wage, the minimum hourly pay rate for appointed faculty and staff will be increased incrementally in FY20, FY21, and FY22. In a given fiscal year, if an employee’s hourly pay rate is below the minimum after receiving a 2% salary increase and an additional base increase of $624, the employee’s hourly rate should then be increased to be equal or greater to the new minimum:

- FY20 - $12.33/hr ($25,646.40 Annually)
- FY21 - $13.66/hr ($28,412.80 Annually)
- FY22 - $15/hr ($31,200 Annually)

A full-time equivalent rate will be calculated for part-time appointed employees and their salaries will be pro rata. Under separate cover, a file of budgeted CSF Tracker records will be sent to each campus to assist in budgeting and determining the costs, by account. For employees not covered by union agreements, salaries for those paid less than $31,200 ($15/hr) should be set according to this policy, and the reason code “FLT” assigned to the increase.

*Dually employed faculty or staff can be excluded from this policy using the excludable code MYR.
Support and Service Staff Represented by Unions

For support and service staff covered by a union (i.e. AFSCME Service, AFSCME Police, IATSE and CWA), the salary increase pool available for distribution shall be calculated based on the following:

- The salary increase pools for employees represented by unions will provide for an overall average of 2%.
- Employees earning less than $31,200 on an annualized full-time equivalent rate after the salary policy increase, will receive an additional base increase up to $624, with this increase limited to the amount needed to reach $15/hr or $31,200/annually. A full-time equivalent rate will be calculated for part-time appointed employees and their salaries will be pro rata. Under separate cover from the University Budget Office, a file of budgeted CSF Tracker records will be sent to assist in determining the cost, by account for budgeting in the salary reserve line.

Salary statistics by RC are calculated independently within three employee classifications: Faculty, Professional Staff, and Support/Service Staff. The lack of a percentage maximum does not guarantee campus or university approval of proposed salary or wage increases. Units must be able to justify large increases, no increase, or salary and wage decreases for individual employees. All increases should be covered by existing unit budgets. Resulting salaries and wages should be commensurate with those of similar job ranking across the university. Provide justifications for increases in excess of 8% with your budget submission.

As always, please do not share salary and wage recommendations with employees prior to Trustee approval of the budget.

2. All Funds Budgeting – Compensation Documents

- Changes in Academic Budgeting Practices
- Budgeting Limited Term Full Time Staff Appointments
- Budgeting Academic Leaves of Absence
- Budgeting Vacant Faculty Positions for Administrative Faculty
- Budgeting Appointment Changes Effective with the New Fiscal/Academic Year
- Budgeting Salary Savings and Reserves
- Salary Exception Reason Code Amount
- Budget Construction Non-Compensation Import Tool
- New View/Report Functionality

If you have any questions, please contact Patti Quimby (pquimby@iu.edu).
3. **Employee Benefit Rates for 2019-20 - All Fund Groups**

**Table 1: Employee Benefit Rates for 2019-20***

<table>
<thead>
<tr>
<th>Benefit &amp; Object Code</th>
<th>Rate</th>
<th>Calculation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Group Insurance/Fee Courtesy 5625</td>
<td>21.24</td>
<td>Based on the anticipated budget level for salaries of academic staff, professional staff, and clerical and service staff.</td>
</tr>
<tr>
<td>FICA 5760</td>
<td>6.62</td>
<td>Based on the total salary and wages budgeted that are subject to FICA.</td>
</tr>
<tr>
<td>Retirement Exempt 5772</td>
<td>11.45</td>
<td>Based on the total participants budgeted salaries.</td>
</tr>
<tr>
<td>(PERF) Retirement Non-Exempt 5773</td>
<td>12.13</td>
<td>Based on the total participants budgeted salaries and those wages budgeted in PERF hourly, object code 3050.</td>
</tr>
</tbody>
</table>

Academic faculty and Exempt staff total benefit rate is 39.31%. Non-exempt staff total benefit rate is 39.99%.

*See “Employee Benefit Calculation Percentages” document.

4. **NIH Salary Limitation**

NIH issued this guidance and updated the Salary Cap Summary site on April 18th, which was retroactive for the Executive Level II salary limitation that increased from $189,600 to $192,300 effective January 2019. The Academic 10-month salary limitation increased from $142,200 to $144,225.

Academic Summer Pay is subject to the same rate as the Academic Year Salary. Review the guidance at NIH Salary Cap.

Please contact Rayna Amerine (ramerine@iu.edu) if you have any questions.

5. **Salary Setting: Budgeting 2480 & Non-Union 2500**

**Salaries request for non-union support staff should be set by the department/school.** These positions include Confidential, (GS) General Supervisors, (NU) Nurses, (NA) Nursing Assistants, and some (TE) Technical positions physically located on other campuses but paid on a BL account.

The hourly rate is the basis for calculating increases for all employees that are paid bi-weekly. This also includes the PAO & PAU classifications. Bi-weekly employees should have the same hourly rate regardless of how many accounts support their salary. Employees can have different hourly rates only if they are paid from more than one position number.

If you have any questions, please contact Patti Quimby (pquimby@iu.edu).
C. Academic and Staff Information

1. Academic Salary Minima

Faculty salary minima shall follow the campus salary guidelines in determining what the average salary increase should be. If there are recommended changes from the Bloomington Faculty Council, updates will be sent to units.

| Full Professor/Librarian     | $64,191 |
| FT1/LT1                      |
| Associate Professor/Librarian| $52,500 |
| FT2/LT2                      |
| Assistant Professor/Librarian| $41,814 |
| FT3/LT3                      |
| Instructor/Affiliate Librarian/Lecturer | $38,876 |
| FLX                          |

Post-Doc Fellow and Research Fellows: The minimum for postdoctoral fellow and research scientist (RSP & RSX) - $40,400/12
Research Associate and Academic Specialist: The minimum for research associate and academic specialist – (RSS & UAS) - $37,370/12

2. Vacant Positions - All Fund Groups except Contract & Grant

Vacant Positions: Vacancies create an opportunity to examine your unit’s operational needs, if positions are not going to be filled in the near future you should delete that position and use the base funds to reallocate to meet other priority needs. Note: Deleting the record in budget construction only removes funding. The position is still “active” until a Maintain Position e-doc is processed to change its status. If you have any questions, please contact Patti Quimby (pquimby@iu.edu).

Budgeting Vacant Positions: Vacant positions must be budgeted with the desired amount for a planned future hire, otherwise, the minimum amount for that vacancy rank is to be budgeted.

3. Split Appointment - All Fund Groups

When budgeting salaries for employees who are split funded between accounts, Responsibility Centers, and/or Campuses;

Make contact with the appropriate individuals to discuss the distribution of salary and funding percentages for employees that you share so that everyone has the same understanding. This open communication will improve the accuracy of the salary submission and reduce the need for campus follow-up. A new feature available in KFS allows view only access of the other portion of a split employee’s salary and percent of funding. We trust the ability to view this information will be a valuable tool for users during the salary setting process. View “New View/Report Functionality”.

When entering the salary request and percent, the amounts entered must mathematically agree based on the total salary/fte for the employee on each account.

The Total Intended field can be used as a communication tool between RC’s for split-funded employees to reflect the proposed annual salary and fte. The field can also be used for those employees whose total funding will be budgeted less than 100%.
Note: Because an employee’s benefits can be affected when their appointment drops below 100%, please contact the appropriate Human Resources office if additional guidance is needed.

Questions can be directed to Patti Quimby (pquimby@iu.edu).

4. **Strategic Hiring Program - General Fund Only**

Strategic Hires base funding will be provided for the FY 2019-20 post-July 1, 2019. Please indicate on the hiring e-doc, place in the notes section that the hire is part of the Strategic Hiring Program. During budget construction, budget the amount you expect to receive from the campus, use object code 2003 and create a sub object code which identifies the employee OR use a generic sub object of STR for Strategic Hire funding.

D. **Student Information**

1. **SAA and Fellowship Health Insurance - All Fund Groups**

Academic RC’s are expected to cover the SAA health insurance premium for eligible student academic appointees and fellowship holders who are funded in BOTH general and non-general accounts. A Campus account will cover the SAA health insurance premium for eligible student academic appointees and fellowship holders paid from GENERAL accounts for Support RC’s.

Support RC’s must budget funds to cover charges to their applicable NON-GENERAL fund accounts only. Use object code 5610 for this purpose. Object Code 5610 will be used for both Fellowships and SAA’s for FY 2019-20.

The Student Health Insurance Plan is mandatory for all Student Academic Appointees (SAAs) who are appointed at: (1) 37.5% FTE for the Fall and/or Spring Semesters, and Fellowship Recipients with an award of $3718 or more per semesters for FY 2019-20. All SAAs and Fellowship Recipients must be enrolled in a minimum of six credit hours or G-901 each semester (Summers excluded). Premiums for SAAs and Fellowship Recipients are fully subsidized by the University or external granting agency. The semester breakdown for FY 2019-20 is:

**SAA-FEL 2018-19 Premium Rates:**

<table>
<thead>
<tr>
<th></th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2019</td>
<td>$1,311.20</td>
</tr>
<tr>
<td>Spring 2020</td>
<td>$1,927.46 (5% increase)</td>
</tr>
<tr>
<td>Total 2019-20</td>
<td>$3,238.66</td>
</tr>
</tbody>
</table>

2. **Stipends for Students Academic Appointees - All Fund Groups**

FY 2019-20 minimum rates, $9,914.00 for 10 months (AY) for 0.50 FTE (20 hrs./per week). If there are changes by the Bloomington Faculty Council (BFC), updates will be sent to all units.
E. General Funds ONLY

a. Unbudgeted Income, Instructional RCs:

**DO NOT CHANGE income on the General Fund.** Your 2019-20 budget must correspond to the income reflected on your RC Allocation Sheet. Use of unanticipated and unbudgeted income received during the year will not be permitted without prior discussion with the Budgetary Administration and Planning Office. The campus loads all income. Individual Units/RC should not change income. If you have any questions, please contact Aimee Heeter (aheeter@iu.edu). Incidental Income will be loaded into your accounts when budget construction is available. Income and ‘transfers in’ (9915 object code) amounts should not be changed.

b. Budgeting the Use of Reserves (Fund Balances):

See links Budgeting Unallocated Funds and Budgeting Operating Surplus/Build-Up of Reserves and Deficit/Use of Reserves for reference.

Units will be requested to provide details regarding reserve funding. If negative reserves are built into the budget, additional information will be requested regarding coverage by year-end FY 2019-20. Details should be provided to Aimee Heeter (aheeter@iu.edu) with your narrative.

F. All Funds Budgeting – Other

- Budgeting Unallocated Funds
- Budgeting Operating Surplus/Build-Up of Reserves and Deficit/Use of Reserves
- Budgeting Non-Recurring Strategic Funds
- Budgeting Faculty Research Funding/Spending
- Transfer Object Code Choice
- Budgeting Non-Recurring Cash
- Budgeting Transfers Within the General Fund
- Budgeting Transfers Within RC

G. Auxiliary Accounts

1. Auxiliary Account Budgets

Auxiliary account budgets should be realistic and constructed so that the year-end operating margin is breakeven or positive. Budgeted income should be equal to or greater than budgeted expense and the budgeted expense should include depreciation. Any budgeted loss needs prior approval from the Budgetary Administration and Planning Office. If you have any questions, please contact Julie Bauters (jbauters@iu.edu).

2. Repairs and Rehabilitation (R&R) - Auxiliary Units Only - Non-General Fund Groups

An Auxiliary Standard Operating Procedure has been created to outline the Repair and
Rehabilitation (R&R) Requirements for Auxiliary Enterprise and Service Units. Please refer to ASOP 27.0: Repair and Rehabilitation Reserves for Auxiliary and Service Units for additional information.

Auxiliary Accounting has distributed the required FY 20 contribution amounts to the campuses.

Contact Auxiliary Accounting at auxacct@iu.edu with any questions.

H. Matching Programs

1. Matching the Promise, Bicentennial Campaign, Overseas Studies

Budget only if the match begins July 1, 2019 or is currently being matched. Budget the match from the campus in 9918 negative amount, if you plan to spend the interest income at IUF budget as revenue using object code 1179. The match funds will be budgeted under object code 9958. Please direct questions to Aimee Heeter (aheeter@iu.edu).

2. Faculty Endowment Match Program

Each unit has the responsibility of providing matching funds for endowed chairs or professorships. Matches must be made on accounts that have received contributions. In cases of an irrevocable deferred bequest, matching funds will be provided once all signatures are in place and the agreement becomes effective. Units receive a report from the UBO that provides information about the amount of matching funds that should be budgeted (Object code 9918-PRS and Object code 9918-SCH). In cases where accompanying funds exist at the foundation, the units will also be apprised of the projected amount of income they may budget in Object code 1179.

I. Miscellaneous Information

1. IU Tuition Benefits (Fee Courtesy)

The fee courtesy file for FY 2019-20 has been posted to the CATS Knowledge Base (see IU Tuition Benefits (Dependents) for Non-General Accounts). The non-general funds accounts will be charged using object code 9956, sub-object code DFC. These amounts should be budgeted within the accounts as listed to accommodate the fee courtesy batch billing which will be initiated in August.

2. Parking Charge for AFSCME Employees (object code 4210) - All Fund Groups

Current employees covered by the AFSCME union are entitled to a free EMS permit, or the equivalent value applied towards the purchase of an EMP permit. To cover this benefit, departments are charged a fee of $148 per AFSCME employee. The charge is processed once a year, in the Fall, on a service billing document.

3. Travel Allowances (object codes 6000-6280) - All Fund Groups

Effective January 1, 2019, all fund groups except 47 accounts are reimbursed at $.58 for the first 500 miles and then $.29 from mile 501 through 3,000.
Effective August 1, 2016, all 47 accounts are reimbursed at $0.38 per mile. See the Travel Management website for more information.

4. Fire and Casualty Insurance - All Fund Groups

The Fire and Casualty Insurance information has been posted to the CATS knowledge base.

5. Employment Eligibility Verification and Background Checks - Object Code 4871

As of January 1, 2019, the base cost of a background check for departments is $17.50, a reduction from the prior cost of $20.00. The cost for processing Form I-9s and E-Verify cases are included in the background check charge. There is no separate charge for the Form I-9/E-Verify process.

As in the past, the actual cost may be higher due to additional charges for other services, such as ordering an education report, court fees, state required notifications, etc. Larger units should take this into consideration when formulating their budgets. The criminal background check includes a criminal history and Sex & Violent Offender registry checks. In addition, the current vendor, GIS, has merged with HireRight and currently they are working through process changes. It is possible that the current fee of $17.50 may increase slightly as system platform changes take place but this is yet to be determined. Additional information regarding criminal background checks and the Form I-9/E-Verify process can be found on the UHR website.

In addition to the above, note the policy pertaining to Indiana University Programs Involving Children.

J. Documents Needed By Campus Before You’re Done

1. Budget Construction Documents
   - Budget Construction Reference Guide
   - Budget Construction Import Guide

For Allocation Sheets, Guidelines go to the Budget Construction website.

KFS Import Templates
   - Budget Construction Non-Compensation Import Tool
   - New View/Report Functionality

2. “Reports to Run BEFORE you say you’re done...”

Location – Budget Construction Selection Screen, org report/dump, use the Organization Sub-Tree and the Action arrows to locate your school/org.
List 2Plg – 2plg is a mechanism that temporarily keeps the account’s budget in balance during salary setting. Open the account(s) and determine if you need to adjust the budget, and then delete the 2plg entry. All plg entries must be deleted prior to the RC being pulled up by the campus.
Payroll Synchronization Problems – this report reflects instances where information in PeopleSoft no longer agrees with the information in Budget Construction. Example: a Maintain Position E-doc processed which changed an attribute of a position already budgeted in BC.

3. Planned Use of Reserves and Budget Narrative

   a. For FY 2019-20, please provide a list of your current FY 2018-19 Planned Uses of Reserves. For FY 2019-20, you MUST include a narrative related to ALL FUNDS as this will be part of the Trustee’s presentation.

   b. For the FY 2019-20 Budget Narrative include the following:

      i. Address student affordability and debt.

      ii. Increase operating efficiencies on both the administrative and academic enterprises. This must include specific operational efficiencies, how they were achieved and the overall impact on the unit base budget.

      iii. Mitigate the pressures from our stressed revenue streams.

      iv. Details on negative budgets. Please include the account number, account name, object code, sub-object (if applicable) and amount. In addition, please provide a general description of the purpose and coverage/reduction during FY 2018-19.

      v. Details on Funding expectations related to Grand Challenges and/or Emerging Areas of Research.

      vi. Please provide Aimee Heeter (aheeter@iu.edu) with a brief summary of your RC salary-setting strategies and indicate how the strategies align with the goals of Indiana University. An important element in these strategies should be a focus on the distribution of salary increases, particularly for faculty, to show that available dollars are not being spread evenly across all salary lines. University priorities should be addressed in salary decisions, subject to resource availability and, for professional staff, to established salary structures.

All planned uses and narratives should be submitted to Aimee Heeter (aheeter@iu.edu) by May 27, 2019 (tentative).

4. Documents Requested by Campus

   Please provide supporting documentation to Aimee Heeter (aheeter@iu.edu) for any reason codes for professional staff and faculty for any salary increase 8% or above, or for no salary increase.

   Deadline for submission of your budget and submission of your RC level narrative: Monday, May 27, 2019 (tentative).

K. Employee Benefit Calculation Percentages

   University Budget Office:
   BC FY2020 Guidelines - Benefit Rates
L. Addendum

i. Faculty Administrators Policy (via IU Trustee Policy: June 30, 2004)

The following policy applies to Vice Presidents, Associate Vice Presidents, Assistant Vice Presidents, Chancellors, Provosts, Vice Chancellors, Vice Provosts, Associate Vice Provosts, Assistant Vice Provosts, Deans, Associate Deans, Assistant Deans, Directors and other administrative positions as identified by the Chancellors, Provost or President – who were not in one of these positions on June 30, 2004. It shall be used to determine the salary of individual who holds both a faculty and administrative position when the individual relinquishes or is removed from the administrative position.

At the time an individual assumes both faculty and administrative positions, a memorandum shall be created that sets forth the 12-month salary of the individual. A determination shall then be made by the appointing official that establishes the portion of the salary that shall be considered the faculty component of the individual’s salary and the portion of the salary that shall be considered the administrative component of the salary. From year to year, as raises may be given, the raises shall be apportioned between the faculty component of the salary and the administrative component of the salary. These figures shall be maintained by the appointing official with a copy provided to the faculty member/administrator and to the appropriate campus faculty records office.

At such time as a faculty member relinquishes or is removed from the administrative position, the faculty member’s salary shall return to the faculty component of the salary and the faculty member shall no longer be entitled to the administrative component. In addition, the faculty component of the salary, shall revert to the ten-twelfths (10/12) of the faculty component if the individual returns to an academic year teaching position.

Procedure
The procedure for calculating and budgeting the faculty salary for individuals who are taking on an administrative role will have two components for their salary. The first component is the traditional 12-month base budgeted on object code 2000. The second component is tied to the “administrative” role, which will be budgeted on object code 2000, sub-object code ADM.

Option 1 example, for salary increases 15% or greater:
Step 1:
Faculty A, $150,000/10 ($15,000/mo.) change to 12-month, becomes $180,000 ($15,000/mo.)
Step 2:
Official sets the “new” base to be $220,000/12 months ($18,333/mo.)
Step 3:
ADM to be 15% of $220,000, $33,000
Salary View:
Object code 2000, $187,000 [$220,000 - $33,000], 85% and Object Code 2000 ADM, $33,000, 15% ($18,333/mo.)
RETURN to FACULTY:
Remove ADM, $33,000
[$187,000/12 mo. ($15,583/mo.); $15,583 X 2 mo. = $31,166; $187,000 - $31,166 = $155,834]
Return to 10-month salary level, $155,834 ($15,583/mo.)

Option 2 example, for salary increases less than 15%:
Step 1:
Faculty A, $150,000/10 ($15,000/mo.) change to 12- month, becomes $180,000 ($15,000/mo.)
Step 2:
Official sets the “new” base to $201,600/12 months
Step 3:
ADM to 10% of $201,600, ($20,160/mo.)
Salary View:
Object code 2000, $181,440, 90% and Object Code ADM, $20,160, 10% ($16,680/mo.)
RETURN to FACULTY:
Remove ADM, $20,160
$201,600 - $20,160 = $181,440/12 ($15,120/ 12 mo.)
Return to 10-month salary level, $151,200 ($15,120/mo.)

ii. Summer Session Allocations - General Fund Only

Where necessary, instructional RC’s are responsible for providing salary and fringe benefit increases to its summer faculty and summer SAA appointments. Use object 2010 for Salary Plan AC1, 2310 for AC2, and 2370 for AC3, AC4 & WSG

iii. Distinguished Professors

President McRobbie selects distinguished professors at IUB and IUPUI. The Distinguished Professor title becomes effective January 1 and the President will provide $10,000 as supplemental pay. The supplemental pay will be provided each January and remain unchanged (no incremental increases) until their termination from the university. The $10,000 supplemental pay will be reflected annually during budget construction via one of the President’s accounts. Each school may provide research funds if they so choose. Please direct questions to Aimee Heeter (aheeter@iu.edu).

iv. Rudy Professors

The Provost identify IUB Professors to receive the title of Rudy Professor. This title remains with the individual until their termination from the university. Annual funding of $10,000 will be transferred into the individual’s specific Rudy Professor (23 account) to be used for compensation or research expenses. Please direct questions to Aimee Heeter (aheeter@iu.edu).

v. Budgeting C&G Accounts

The Salary Policy for FY 2019-20 applies to employees in ALL fund groups. Those funded in whole or in part by Contract & Grant (C&G) accounts are NOT exceptions to the policy; therefore, salary increases will be given during budget construction, not on the employee’s anniversary.

vi. Expiring C&G Accounts
Contract and Grant accounts may expire between budget construction and the KFS budget load in late June. Do not request extensions or underwrites to extend the grant account beyond July.

If the grant account has another year of funding which is expected to arrive prior to July 1, set the employee’s salaries using the current C&G account during budget construction. If the new account is active prior to the budget load, the system will automatically load the salaries to the new account. If the grant funding ends prior to July 1, with no future project funds expected, the system will load the employees budgeted salaries to the expiring grant account, and the unit will need to move the salary to another account after July 1. Fringe benefits are not calculated on the budgeted salaries in C&G accounts. Do not budget hourly expenses in C&G accounts. Do not budget vacant positions or non-salary expenses such as supplies, travel, and equipment.

**vii. UITS Rates for Direct Billing - All Funds Groups**

For FY 2019-20 UITS Rates please refer to [Rates and Costs of UITS Services](#) for viewing the updated rates.

**viii. Life Cycle Funding for Desktop Equipment - General Fund Only**

IU maintains full life cycle funding for faculty and staff desktop computers, servers, and peripheral equipment for units supported by general funds. Desktop lifecycle replacement funding should be budgeted using object code 9940, sub object code LCF, rather than 5216 as has been used in prior years.

Operational details in FY 2019-20 will be the same as in FY 2006-07. During FY 2019-20, you will be required to transfer funds from your 10-XXX-98 account into your 92-XXX-98 equipment replacement account either (a) when funds will be spent; or (b) no later than June, regardless whether the funds will be spent before the end of the fiscal year or accumulated for future use. All unspent funds in the equipment replacement accounts will be carried forward to the next year. If you have questions about this, please contact Aimee Heeter (aheeter@iu.edu).

**ix. President’s Fund**

Continue to budget in the President’s Fund under object code 9977, sub object to be used is PFU. Note that the amount previously budgeted remains the same for FY 2019-20. Ask Aimee Heeter (aheeter@iu.edu) if there are any questions.

**x. Minor Repairs & Maintenance (object code 4700) – All Units – All Fund Groups**

If facility repairs or maintenance are planned for FY 2019-20, they should be budgeted. Funds to cover these costs should be reallocated within your FY 2019-20 available resources. Repairs and maintenance amounting to $75,000 or less need to be budgeted for in object code 4700. These types of repairs are primarily intended to improve the aesthetic look of space or are “maintenance” of space. This includes painting a room, small area carpet replacement, replacement of consumables, or localized repartitioning etc.
Note: VPCPF approval of these types of projects is necessary before the project can move forward.

xi. Equipment - All Fund Groups

Capital equipment purchases are equipment items with an acquisition value of at least $5,000.00 and a useful life of one year or greater. For equipment meeting these capitalization criteria use the following object codes:

- 7000  Capital Equipment
- 7015  Computer Equipment

Other costs such as installation, freight/shipping, and training should also be capitalized with equipment purchases over $5,000. If the equipment purchased meets the capitalization criteria, then these costs should also be coded to object code 7000 or 7015. Warranties, maintenance agreements and software licenses should NEVER be capitalized with equipment. These purchases should always be expensed to object codes 4776 or 4616. Please refer to Standard Operating Procedure CSOP 8.0 Capitalization of Movable Equipment for detailed guidelines relating to the capitalization of moveable equipment and object code assignment. If you have any questions, please email capasset@iu.edu.

xii. Dual-Career Hiring

BL Campus funding support for approved Dual Career (Spousal Accommodation) appointments will be transferred post July 1, 2019. Cash support is based upon the original hiring amount per percentages outlined in the agreement. A funding pattern such as 75% Year 1, 50% Year 2, and 25% Year 3 is common, however, variations do occur. Please note on the edoc if the HIRE is Dual Career and attach any supporting documentation. Please direct questions to Patti Quimby (pquimby@iu.edu).

xiii. Postage - All Fund Groups

First-Class letters up to 1 ounce will increase from 49 cents to 50 cents. Postcard postage will remain at 35 cents. There may be a variety of rate changes for other mailing services, including standard mail, periodicals, packages, and extra services. For a complete listing of all the rates in effect, please visit the USPS Postage Rate Increase website. If you have any questions, please contact Mail Services at 855-3503 or iumail@indiana.edu.