Budget Construction Guidelines
Bloomington Campus
Fiscal Year 2025 Draft

Office of Finance, Administration & Budget (FAB)
Carmichael 201

Deadline for Salary exceptions and supporting materials: Saturday, April 27, 2024
Deadline for completion of Budget Construction: Thursday, May 16, 2024
Deadline for submission of Budget Narrative: Thursday, May 16, 2024 (vpfinadm@indiana.edu)
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A. Introduction

This document, along with supplemental details contained in the attachments, provides the information needed for preparing Fiscal Year 2025 (FY25) budget requests. As in past years, the Office of Finance, Administration & Budget (FAB) 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 FAB.

Our primary focus in budget development is, as always, the responsible stewardship of IU’s resources. Each unit is accountable for how they allocate funds, and decisions should be guided by a continued spotlight on strengthening the student experience—including affordability—and investing in strategies that foster excellence in our core missions of teaching, research, and service.

The budget provides a high-level outline of unit plans and priorities for the upcoming year as each unit’s budget should align closely with its 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. Combined, these efforts will lead to better outcomes for students, faculty, and staff.

At IU, the academic mission of the university lies at the core of our financial decision-making, and that principle makes IU Bloomington a remarkable place. This can only happen thanks to the collective efforts and dedication of all of you and your staff.

With great appreciation,

Aimee Heeter,
Vice Provost for Finance and Administration

SPECIAL NOTE: Legal service providers must be approved by the Office of the Vice President and General Counsel. Expenditures for legal services may be made only in accordance with guidelines established by that office.
B. Salary and Benefits

1. Salary & Wage Policy Fiscal Year 2025 – All Fund Groups

The salary and wage policy for FY25 provides salary and wage setting guidelines which support 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.

FY25 Policy

- Each RC average base salary increase pool is approved at 3% for continuing faculty and staff:
  - The maximum salary increase pool is 3%, and the allocation of that pool is at the discretion of the RC. RC allocation procedures must comply the University salary policy and excludes non-exempt staff represented by a union.
  - The minimum salary increase is 1%, and in the event no salary increase is provided, units should provide an includable reason code (noted below).

- Increases above 8% without one of the exception codes noted in this policy should be sent to the appropriate office:
  - Exceptions for faculty will need approval from VPFAA (apps@iu.edu) prior to submission for campus approval.
  - Exceptions for staff will need approval from IUHR (hrcomp@iu.edu) prior to submission for campus approval (IUHR Comp will submit for Vice Provost for Finance & EVP & Provost approval). These increases will be approved by the Executive Vice President & Provost prior to being reviewed by the Vice President for Human Resources and the Executive Vice President for Finance & Administration.
  - The BL Finance Office will obtain exception requests and documentation from HR and VPFAA.

A list of includable reason codes is provided below. An employee receiving no increase, or less than a 1% increase due to one of the reasons listed below must be assigned the corresponding code in budget construction. The use of these codes will NOT exclude an increase from the salary average increase calculation:

**MID** Employee received off-cycle, midyear increase during the current fiscal year resulting in no 7/1 increase or a reduced increase %.

**NEW** Academic, Exempt staff & non-union non-exempt new hire resulting in no 7/1 increase or a reduced increase %.

**PER** Less than satisfactory performance, which should be documented by a performance improvement plan or other corrective action in the current FY or within the previous 12 months, resulting in no or reduced increase %.

**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 every funding line for exclusion with the same reason code and calculated amount of the exclusion):

Excludable Reason Codes Applicable to Faculty:

- **EQU**: Affirmative Action approved increases.
- **INT**: Employee salary increases mandated by the Department of Labor.
- **MAR**: Market adjustments for faculty 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. VPFAA will forward supporting documentation to the BL Finance Office.
- **MYR**: Written agreement completed prior to May 11 that includes a salary increase requirement for the upcoming fiscal year. Please provide a copy of the individual’s agreement. VPFAA will forward to the BL Finance Office.
- **NTN**: Newly tenured faculty.
- **PRO**: Faculty receiving promotion in rank or a new Administrative Appointment.
- **RET**: Retention High Value – High Value increases to proactively reward high performing individuals in their current positions.
  - This code should not be used if the increase has already been processed via a Mid-Year Pay Adjustment or when an employee has received a competing job offer.
  - The faculty position is eligible for a salary/wage increase up to an additional 8% (combining the RET percentage with the campus/RC salary policy will result in a higher percentage).
  - Requested increases should not create internal equity or compression issues.
  - Submit the increase request and supporting documentation for campus review by April 27 to VPFAA (apps@iu.edu).

**NOTE on Academic Appointments**: Faculty with the exclusion code of NTN or PRO should receive the salary policy increase established for the campus, and the standard increase associated with the exclusion. The total amount will be entered in the request field and the exclusion amount entered in the reason code amount field.

Effective with the FY2025 budget construction process, all RCs will be required to submit a rating for each academic appointee based on a scale internal to the RC. Please also provide an explanation of the process used and how each level of the rating scale should be interpreted. Please submit ratings for all academic personnel and excludable increase requests in an Excel format to VPFAA (apps@iu.edu).

Excludable Reason Codes Applicable to Staff:

- **EQU**: Affirmative Action-approved increases.
- **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. For exempt staff, please reach to IUHR (hrcomp@iu.edu) for instructions on processing the supplement. Use object code 3100.
- **HLR**: Staff position duties have substantially changed within level and the position now has a sustained increase in responsibility during the current fiscal year. In addition:
  - This code should not be used if the increase was already processed via a Mid-Year Pay Adjustment.
  - 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).
  - Requested increases should not exceed the associated salary range maximum or create internal equity or compression issues.
  - Submit requested increase & supporting documents to IUHR (hrcomp@iu.edu) by April 27.
Employee salary increases mandated by the Department of Labor.

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 IUHR Compensation. Submit the request and supporting documentation to IUHR (hrcomp@iu.edu) by April 27.

Written agreements completed prior to May 11 that include a salary increase requirement for the upcoming fiscal year. Please provide a copy of the individual’s agreement to IUHR (hrcomp@iu.edu).

Staff either (a) progressed to a higher career level, or (b) promoted to a different position of a higher career level effective 7/1 of the upcoming fiscal year. Submit the request and supporting documentation to IUHR (hrcomp@iu.edu) by April 27.

Employee’s base pay increase to meet the minimum of the pay range for their position’s classification.

Retention High Value – High Value increases to proactively reward high performing individuals in their current positions.

- This code should not be used if the increase was already processed via a Mid-year Pay Adjustment or when an employee has received a competing job offer.
- The staff position is eligible for a salary/wage increase up to an additional 8% (combining the RET percentage with the campus/RC salary policy will result in a higher percentage).
- Requested increases should not exceed the associated salary range maximum or create internal equity or compression issues.
- Submit the increase request and supporting documentation to IUHR (hrcomp@iu.edu) by April 27.

Employees with Base Rates Less Than $31,200

A full-time equivalent rate will be calculated for part-time appointed employees and their salaries will be pro rata.

Non-exempt Staff Represented by Unions

Non-exempt 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 3% in FY25.

Salary statistics by RC are calculated independently within three employee classifications: Academic (Object Code 2000), Exempt/Non-Exempt Staff (Object Code 2400 & 2480), and Non-Exempt Non-Union (Object Code 2500). Sharing of salary increase pools between employee classifications is not permitted.

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 justification for increases over 8%.

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

All supporting documentation should be submitted by Saturday, April 27, 2024.

UNN Reason Code
During Budget Construction, the union salaries will be set to the salary policy of zero percent.
Using Reason Codes in Budget Construction
When coding an employee’s request line with a reason code, every funding line must contain the same reason code and the amount associated with the reason for that funding line.

For links under the AFB Policy Index or https://www.budu.iu.edu/documentation/allfunds/policy, Firefox is the preferred browser. If you experience an error, try clearing your browser.

2. All Funds Budgeting – Compensation
   - 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

Please direct questions to Henry Gabriel (hgabriel@iu.edu).

3. Employee Benefit Rates for FY 2025 - All Fund Groups

<table>
<thead>
<tr>
<th>Benefit Category</th>
<th>Rates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Academic - Exempt</td>
<td>2000,2005,2008,2280,2288</td>
</tr>
<tr>
<td>Academic - Summer</td>
<td>2010</td>
</tr>
<tr>
<td>Academic - Overload/Supplement/Residents/Non-Students</td>
<td>2170,2200,2290 &amp; 2300-2310</td>
</tr>
<tr>
<td>Professional - Exempt &amp; Non-exempt</td>
<td>2400,2405,2408,2480,2488</td>
</tr>
<tr>
<td>Professional - Overload/Terminal Pay</td>
<td>2420,2428,2450</td>
</tr>
<tr>
<td>Non-exempt - PERF &amp; Retirement Savings Eligible</td>
<td>2500,2504</td>
</tr>
<tr>
<td>Non-exempt - Terminal Pay</td>
<td>2550</td>
</tr>
<tr>
<td>Temporary</td>
<td>3000,3150,3250</td>
</tr>
<tr>
<td>Temporary</td>
<td>3050,3100,3200,3205,3210</td>
</tr>
<tr>
<td>Supplemental</td>
<td>4580,4588</td>
</tr>
</tbody>
</table>

Note: see Employee Benefit Calculation Percentages for additional detail

4. Mobile Plan and Device Allowances

All stipends for cell phones or home internet connections ended on June 30th, 2020 (unless required by law, external compliance, or contract).

5. NIH Salary Limitation for Grants and Cooperative Agreements

The NIH Office of Personnel Management released salary levels for the Executive Pay Scale and effective January 29, 2024, the salary limitation for Executive Level II is $221,900 (up from $212,100). NIH issued this guidance and has updated Salary Cap Summary.

Academic Summer Pay is subject to the same rate as the Academic Year Salary. Review guidance at NIH Salary Cap. Please contact Rayna Amerine (ramerine@iu.edu) with questions.

6. Salary Setting: Budgeting 2480 & Non-Union 2500

Salary policy should be followed when setting salaries. Use the hourly rate to calculate increases for bi-weekly employees. Bi-weekly employees with one position number should have the same hourly rate on all account lines.
Budget union employees at their current FY24 rate in object code 2500 using code “UNN” and budget the expense needed to cover the 3% increase in object code 2504. Please direct questions to Henry Gabriel (hgabriel@iu.edu).

C. Academic and Staff Information

1. Academic Salary Minima (no change from previous year)

Faculty salary minima shall follow the campus salary guidelines in determining what the average salary increase should be. Although subject to change, amounts reflected below remain flat from FY24 EXCEPT for the minimum for RSS/UAS, which will be raised to $43,888. Any recommended changes from the Bloomington Faculty Council will be sent to units.

<table>
<thead>
<tr>
<th>Rank</th>
<th>Position</th>
<th>Minimun Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>FT1/LT1</td>
<td>Full Professor/ Librarian</td>
<td>$64,191/10</td>
</tr>
<tr>
<td>FT2/LT2</td>
<td>Associate Professor/ Librarian</td>
<td>$52,500/10</td>
</tr>
<tr>
<td>FT3/LT3</td>
<td>Assistant Professor/ Librarian</td>
<td>$41,814/10</td>
</tr>
<tr>
<td>FLX</td>
<td>Instructor/ Affiliate Librarian/ Lecturer</td>
<td>$38,876/10</td>
</tr>
<tr>
<td>RSP/RSX</td>
<td>Postdoc Fellow and Research Fellow</td>
<td>$45,000/12</td>
</tr>
<tr>
<td>RSS/UAS</td>
<td>Research Associate and Academic Specialist</td>
<td>$43,888/12</td>
</tr>
</tbody>
</table>

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

Vacant Positions: Vacancies create an opportunity to examine your unit’s operational needs. If a position will not be filled soon, delete the position, and reallocate base funds to meet other priority needs. Note: Deleting the record in budget construction only removes funding. The position remains “active” until a Maintain Position e-doc is processed to change its status. Please direct questions to Henry Gabriel (hgabriel@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:

When budgeting salaries for shared employees who are split funded between accounts, Responsibility Centers, and/or campuses, contact the other funding unit’s FO to discuss the distribution of salary and funding percentages. 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 RCs 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 Resource office if additional guidance is needed. Please direct questions to Henry Gabriel (hgabriel@iu.edu).

4. Strategic Hiring Program: General Fund Only

Base funding for FY25 Strategic Hires will be provided post-July 1, 2024. In the notes section on the hiring e-doc, indicate that the hire is part of the Strategic Program. During budget construction, budget the expected amount from the campus as a negative in object code 2003/sub object “STR”.

5. Faculty 100 Program: General Fund Only

Base funding for FY25 Faculty 100 Hires will be provided post-July 1, 2024. In the notes section on the hiring e-doc, indicate that the hire is part of the Faculty 100 Program. During budget construction, budget the expected amount from the campus as a negative in object code 2003/sub object “100”.

6. Presidential Diversity Hiring Initiative

Presidential funds will cover 100% of salary and benefits (non-base) on GF accounts for the first 3 years, after which the campus will provide base to cover 75% of salary and benefits. The first 3 years of presidential funding should have been budgeted in Inc Inc in 9918. Instructions will be provided next year for FY26 base.

D. Student Information

1. SAA/Postdoc/Fellowship Recipient Health Insurance: All Fund Groups

Academic RCs 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 fund accounts for Support RCs. Support RCs 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 SAAs for FY25.

The Student Health Insurance Plan is mandatory for all Student Academic Appointees (SAA) who are appointed at 37.5% FTE or greater (15 hours/week or more) for the Fall and/or Spring Semesters, and Fellowship Recipients with an award of $6,750 or more each semester, Fall and/or Spring. 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 an external granting agency.

### SAA/Postdoc/Fellowship Recipients Premium Rate

<table>
<thead>
<tr>
<th>Semester</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fall 2024</td>
<td>$1,852.05</td>
</tr>
<tr>
<td>Spring 2025</td>
<td>$2,644.73 (2% increase)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>$4,496.78</strong></td>
</tr>
</tbody>
</table>
2. Stipends for Student Academic Appointees - All Fund Groups

FY25 minimum rates, $23,000 for 10 months (AY) for 0.50 FTE (20 hours/week). There is no mandatory increase for SAAs in FY25.

E. General Funds ONLY

1. Unbudgeted Income: Instructional RCs

DO NOT CHANGE income on the General Fund. Your FY25 budget must correspond to the income reflected on your RC Allocation Sheet. RC-specific Allocation Sheets for FY25 Budget Construction will be loaded in the [Sec] BL-FAB-Shared Documents TEAMS folder. UBO has uploaded Incidental Income (Inc-Inc) to budget construction and the campus will upload the remaining income for general funds. Individual Units/RCs should not change income; this includes transfers in budgeted in Inc-Inc (9912/9915/9916/9918). Use of unanticipated and unbudgeted income received during the year will not be permitted without prior discussion with the Office of Finance, Administration & Budget. Please direct questions to vpfinadm@indiana.edu.

2. Budgeting the Use of Reserves (Fund Balances)

For links under the AFB Policy Index or https://www.budu.iu.edu/documentation/allfunds/policy, Firefox is the preferred browser. If you experience an error, try clearing your browser.

Units will be asked to provide details on reserve funding. If negative reserves are built into the budget, additional information will be requested regarding coverage by year-end FY25. Provide details with your narrative. For guidance on budgeting reserves, see links under AFB Policy Index - for “Budgeting Unallocated Funds” and “Budgeting Operating Surplus/Build-Up of Reserves and Deficit/Use of Reserves.”

F. All Funds Budgeting: AFB Policy Index

1. Business Practices
   - 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

2. Budget Construction Tools
   - Budget Construction Reference Guide
   - Budget Construction Import Guide
   - Budget Construction Annual Request Import Template
   - Budget Construction Monthly Request Import Template
   - Budget Construction Non-Compensation Import Tool
   - New View/Report Functionality
   - Salary Import Seeding Tool (located in IUIE)
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. Exceptions to breakeven or positive operating margins are made for 66* accounts that must operate at a deficit to comply with internal rate setting requirements. Outside of this exception, 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 FAB. If you have any questions, please contact Auxiliary Business Services iubaux@indiana.edu.

H. Matching Programs

1. Matching the Promise, Bicentennial Campaign, Overseas Studies

The matching funds to be provided to specific accounts in FY25 for the Matching the Promise or Bicentennial Campaign have been shared with each unit. The budget for those matching funds and corresponding expenses are prepopulated in the account. Units should budget the amount they anticipate spending from the IUF using object code 1179. Consider using the IUF’s Targeted Spend as guidance as you budget the activity in each account. Please direct questions to Jill Gonyo (jpiedmon@iu.edu).

2. Faculty Endowment Match Program

Each unit has the responsibility of providing matching funds for endowed chairs or professorships under the FEMP. 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 IUF, the units will also be apprised of the projected amount of income they may budget in Object code 1179. Please direct questions to Jill Gonyo (jpiedmon@iu.edu).

I. Miscellaneous Information

1. IU Tuition Benefits (Fee Courtesy)

For FY25, fee courtesy is included in the UA assessment allocation. There is no need to budget by account this year.

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

All active AFSCME covered, open positions are entitled to a free EM-S permit, or the equivalent value applied towards the purchase of an EM-P permit. To cover this benefit, departments are charged a fee of $153.98 (2% increase from FY24) 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, 2024, all fund groups except 47 accounts are reimbursed at $.67 for the first 500 miles and then $.335 for 501 or more (https://travel.iu.edu/traveling/travelingbycar.shtml). See the Travel Management Services website for more information.
4. Fire and Casualty Insurance: All Fund Groups

For FY25, fire and casualty insurance is included in the UA assessment allocation. Details if needed can be provided.

5. Employment Eligibility Verification and Background Checks

Since FY23, IU Human Resources no longer directly charges departments for the cost of processing an EEV or criminal background check. These costs have been incorporated into the payroll fringe benefit rate. The KFS account information should still be included when initiating an I-9 or background check for reporting purposes.

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 that Involve Children.

J. Reports and Documents Needed to Complete Budget Construction

1. “Reports to Run BEFORE you’re done …”

Location: Budget Construction Selection Screen, org report/dump, then use the Organization Sub-Tree and Action arrows to locate your school/org.

List 2Plg: 2plg 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 when information in PeopleSoft no longer agrees with the information in Budget Construction. Example: A Maintain Position E-doc processed that changed an attribute of a position already budgeted in BC.

2. Power BI - BC Edit Checks - Comp and Non-Comp

Be sure to log in with your username with @iu.edu. Navigate to Annual Reports (top tab) and FY24 Tasks (left tab) to access the FY25 BC Edit Checks and FY25 BC Edit Checks Non-Comp. NOTE: FY23 Tasks tab reports are there for information only, do not confuse these reports with the ones you need to use for FY24. The FY24 reports will be available starting April 29. New this year - a summary check page has been added to each report to quickly help you identify which checks need attention. Use the instructions in red (top left) of each report to identify what needs to be done with the information. Please direct questions, errors, or future enhancements to John Tweedie (jtweedie@indiana.edu).

3. Planned Use of Reserves and Budget Narrative

Our primary focus in budget development is the responsible stewardship of IU’s resources. Each unit is accountable for how they allocate funds, and decisions should be guided by a continued spotlight on strengthening the student experience—including affordability—and investing in strategies that foster excellence in our core missions of teaching, research, and service. Our primary focus in budget development is the responsible stewardship of IU’s resources. Each unit is accountable for how they allocate funds, and decisions should be guided by a continued spotlight on strengthening the student
experience—including affordability—and investing in strategies that foster excellence in our core missions of teaching, research, and service.

The FY25 budget narrative:
- Should consider all funds (GF/DS/RF/AE).
- Should be submitted as a Word document.
- Should include responses to the topics below in the same order as listed.

Please include the following:

a. **Overview of your unit’s fiscal health.**
   What strategic initiative(s) are planned for FY25 and reflected in your proposed operating budget? Will these initiatives require a significant use of reserves?

b. **Planned investments that were removed due to financial constraints.**
   Outline any concerns you have about being able to maintain a balanced budget and fund strategic priorities going forward?

c. **Summary of financial impacts resulting from changes in operating revenue.**
   Highlight any areas that are financially concerning? What are the primary drivers for those concerns (enrollment declines, operating expense growth, commitments, etc.)? What steps have been taken to mitigate financial pressures resulting from reductions in revenue and/or growth in expenses?

d. **Enrollment Outlook (Academic Units)**
   Provide a summary of your unit’s enrollment outlook as reflected in your FY25 operating budget.
   i. If growth is projected, identify the level of enrollment impacted (e.g., UG, GR, or professional).
   ii. If decreases are projected, identify the level of enrollment impacted (e.g., UG, GR, or professional).
      What are the plans to mitigate the decrease (decrease expenses) or increase future enrollment?
   iii. What are the primary factors contributing to these trends? Does online enrollment play a factor? If yes, what is its impact?

e. **Utilization of Foundation Funds**
   An effort should be made to increase the utilization of foundation funds. Please outline budgeted and projected Foundation spend for FY25.

f. **Compensation Policy**
   Provide an overview of your unit’s implementation of the campus salary policy. Please include average percentage increases for faculty and staff. Please describe any increases or decreases in FTE for both faculty and staff expected for FY25.

g. **Planned Uses of Reserves**
   Provide a list of your current FY24 Planned Uses of Reserves and FY25 Planned Uses of Reserves

K. **Addendum**

i. **Policy for Faculty Members holding Administrative Positions [SUBJECT TO UPDATE]**

The following policy shall apply 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 or President who were not in one of these positions on June 30, 2005. It shall be used to determine the salary of an individual who holds both
a faculty and an administrative position when the individual relinquishes or is removed from the administrative position.

When an individual assumes both faculty and administrative positions, a memorandum shall be created setting forth their 12-month salary. The appointing official will then determine the faculty and administrative portions of the salary. From year to year, any 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.

When a faculty member relinquishes or is removed from an 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. The faculty component of the salary shall revert to ten-twelfths (10/12) of the faculty component if the individual returns to an academic year teaching position.

Procedure

Since fiscal year 2005, salaries for new faculty administrators (Provosts, Vice Provosts, Chancellors, Vice Chancellors, Deans, Directors, and other administrative positions) have had two components. One component is the traditional 12-month base amount and is budgeted on object code 2000. The specific amount tied to the second component “Administrative,” is budgeted on object code 2000 with a sub-object code of ADM. Twelve-month administrators, whose salaries will be partially funded from their 10-month faculty line, should be converted, spreading their 10-month salary over 12-months (e.g., 25% of the 10-month rate will be 20.83 FTE of the 12-month rate). The administrative component of the salary is incurred on the administrative office account. Each component of the salary will be incremented annually in compliance with the campus budget salary guidelines. The administrative component will be removed if the administrator returns to the faculty and the faculty salary component should revert to ten-twelfths (10/12).

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 RCs are responsible for providing salary and fringe benefit increases for summer faculty and summer SAA appointments. Use object code 2010 for Salary Plan AC1, 2310 for AC2, and 2370 for AC3, AC4 & WSG.

iii. **Distinguished Professors**

The President selects distinguished professors at IU Bloomington and IU Indianapolis. 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 Henry Gabriel (hgabriel@iu.edu).

iv. **Rudy Professors**

The Provost identifies recipients of the title, Rudy Professor. This title remains with the recipient until termination from the university. Annually, $10,000 will be transferred into a designated Rudy Professor (23 account) (object 9915) which can be used for compensation or research expenses. Please direct questions to Donna Carter (dkcarter@indiana.edu).

v. **Budgeting C&G Accounts**

The Salary Policy for FY25 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 date.

vi. **Expanding 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 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 employee’s 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. **Life Cycle Funding for Desktop Equipment: General Fund Group**

IU maintains full life cycle funding for faculty and staff desktop computers, servers, and peripheral equipment for units supported by general funds. Budget desktop life cycle replacement funds using object code 9940, sub-object code LCF.

University Information Technology Services (UIT) no longer provides matching funds. Funds should remain in the 10-XXX-98 account and should not be transferred into the 92-XXX-98 equipment replacement account.

viii. **President’s Fund**
President’s Fund should be budgeted using object code 9977, sub-object code PFU.

ix. **Minor Repairs & Maintenance: All Fund Groups**

Facility repairs or maintenance planned for FY25 should be budgeted using reallocations from your available resources. Repairs and maintenance amounting to $75,000 or less should be budgeted using 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.

x. **Equipment: All Fund Groups**

Equipment must meet two specific criteria to qualify as a capital purchase. It must have (1) an acquisition value of at least $5,000 (referred to as Capitalization Threshold) and (2) a useful life expectancy ≥ one year. Other costs such as assembling the asset, installation, freight/shipping, and training should also be capitalized with equipment purchases over $5,000. It is critical that capitalized equipment is correctly recorded in the university asset database using the following object codes:

<table>
<thead>
<tr>
<th>Object Code</th>
<th>Description</th>
</tr>
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<tbody>
<tr>
<td>7000</td>
<td>Capital Equipment</td>
</tr>
<tr>
<td>7015</td>
<td>Computer Equipment</td>
</tr>
</tbody>
</table>

The following are not considered capital equipment regardless of cost or useful life:

- Repair or replacement parts (Object code 4700 - Repair & Maintenance)
- Maintenance and Warranty agreements. (Object code 4776 - Service Maintenance Contracts)
- Software license agreements are not capitalized unless ownership is indicated within the license agreement and the acquisition cost ≥ $500K. (Object code 4616 - Computer Software Purchases)

Please refer to [Standard Operating Procedure CSOP 8.0 Capitalization of Movable Equipment](#) for guidelines relating to the capitalization of moveable equipment and object code assignment. Please direct questions to capasset@iu.edu.

xi. **Dual-Career Hiring**

BL Campus funding support for approved Dual Career (spousal accommodation) appointments will be transferred post July 1, 2024. 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 Donna Carter (dkcarter@indiana.edu).

xii. **Postage - All Fund Groups**

Visit [USPS Mailing & Shipping Prices](#) for a complete listing of all the rates in effect. If you have any questions, please contact Mail Services at 855-3503 or iumail@indiana.edu.

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<th>Postcards</th>
<th>Large Envelopes</th>
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