FY 2016

Operating Budget Instructions
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Budget Memo from Kevin Dillon  
Senior Executive Vice President, Chief Operating and Financial Officer

Typical of a budget process that kicks off during the legislative session, the first draft of UTHealth’s Fiscal Year 2016 (FY16) budget will include a conservative estimate of state appropriations that falls somewhere between the current House and Senate versions of the appropriation bill. In contrast to the booming State of Texas economy a year-ago, the relatively recent downturn in the oil and gas industry has limited the amount of new funding projected for the FY16-17 biennium; however a 2 to 3% increase is still projected. For the most part the House and Senate committee versions are not too far apart and thus we are not projecting much of a change in our formula funded items in aggregate.

As we look forward to FY16, UTHealth continues to grow. Led by the Medical School’s faculty practice plan, which has been one of the fastest growing practice plans in terms of revenue growth in the country according to the Association of American Medical Colleges, UTHealth’s clinical and research enterprises will be budgeting increases, with clinic expansion driving the former, and the latter associated with an approximate 8% growth in sponsored program awards when comparing the past year, ended February 28, 2015, to the prior year’s activity. Enrollment is projected to remain relatively flat, with the exception of the School of Dentistry’s DDS class size increase. FY16 will be the fourth year the incoming class size will be at 100 students since moving from 84 in FY13.

UTHealth and the Houston community continue to benefit from the 1115 Managed Medicaid waiver which provides federal funding for uncompensated care, and enhanced access and critical disease management. FY16 will be the final year of the five year program, pending renewal options, and has helped UTHealth’s overall financial outlook. We will continue to distribute F&A in the manner adopted in FY14, i.e. 52.5% to the school, and 47.5% retained by central administration to cover, in-part, centrally funded facilities and administrative costs (utilities, interest, deferred maintenance, library, OSP, etc.).

This year’s budget instructions continue to restrict use of any prior year balances as a funding source for current year operations. In the event the use of a prior year balance is requested and approved by the Executive Budget Committee, the expense budget should reflect the approved amount and no revenue budget should be entered. The use of prior year balances for operations negatively impacts overall financial margin. To view prior year balances as a current year revenue source overstates our financial performance.

In closing, I appreciate everything you do for UTHealth. It is through your sound fiscal stewardship that has allowed the institution to grow and flourish.
NEW/NOTEWORTHY FOR FY 2016

1. The HCM 9.2 upgrade which is scheduled for go-live June 1 should not affect data entry in the budget module. All department/operating unit deadlines will be before this date. Only Budget and Financial Reporting will make data entry changes after June 1 in the new 9.2 environment.

2. As part of the HCM 9.2 upgrade there will be a new position approval system that will be in place. **Please note that any vacant position not included in the FY 2016 budget will be subject to the new position approval process as part of the HCM 9.2 upgrade.** More information will come regarding this new process as the go-live date for 9.2 nears.

3. Based on an analysis of the performance of the vacation payout fund over the past few years it was determined the current assessment of 1.0% needed to be increased to 1.4% for FY 2016. Also new for FY 2016 is a 0.6% assessment to assist in funding retiree premium sharing. This will be assessed against all salaries paid off of all fund sources. Both of these increases are reflected in the new benefit tier rates.

4. New tuition and fee revenue accounts were instituted for FY 2015 and will be used in the FY 2016 budget for the first time. Please review the recognized revenue accounts used in FY 2015 as these will need to be used in FY 2016. The new tuition and fee account range is 40201-40399.

5. Line item budget data entry will still need to be done at the expense pool level (i.e., 61006, 61007, etc.) for budget reporting purposes. The CC_SUM budget ledger that began with FY 2015 which combines the various expense pools (including salary pools) for budget checking purpose will continue for FY 2016. The CC_SUM ledger is loaded based on the combined expense pools entered in the budget system.
BUDGET GUIDELINES

1. All budget guidelines must be explicitly followed when developing FY 2016 budgets.

2. All published budget timelines must be met.

3. FY 2016 State Operating Budgets take into consideration the benefit changes anticipated for the upcoming year. Budgets are not to exceed the method of finance amount provided.

4. Local income included in the State Method of Finance has been adjusted to account for the local portion of benefits associated with state funded salaries.

5. Except in cases where contractual revenue increases can be reliably projected or tuition/fee and indirect cost recovery adjustments have been approved by Finance, Designated and Auxiliary FY 2016 expense budgets must not exceed operating units’ projected revenue budgets included in the distributed Method of Finance.

6. Prior year balances should not be budgeted as a revenue source. Upon prior approval of the Executive Budget Committee, an entity may budget a cost center’s expense up to the projected year end fund balance.

7. With the exception of scholarship funds, investment income will no longer be distributed to gift and designated funds and should not be budgeted as a revenue source.

8. Faculty incentive programs should be accrued in the appropriate fiscal year in which it was earned.

9. The university may only provide a salary supplement to employees who are required to have cellular communication services to conduct university business and whose annual salary does not exceed $45,000. The recommendation to provide a salary supplement is made by the department head and must be supported by the dean or vice president. The Chief Operating and Financial Officer approves or disapproves all requests for salary supplements. Salary supplements can ONLY be paid from State or Designated funds. Grant funds cannot be used for salary supplements.

Departments may, with proper justification and authorization, pay for cellular phones and communication services that are required for university business and that are shared among department staff. Examples of a shared cellular phone include, but are not limited to “hot” phones rotated among different employees when they are on call, and phones affixed to university property such as cars and buildings. The department head and the dean or vice president must authorize all requests for cellular phones and communication services (including upgrades) that are to be paid by department funds, and the Chief Operating and Financial Officer will approve or disapprove all requests. Grant funds may be used to pay for cellular phones and communication services regardless of whether the cellular phone will be shared or not, given that it is allowed by the grant, utilized exclusively for the grant, authorized by the principal investigator and approved by Post Award Finance. Cellular phones and communication services paid for by departmental or grant funds must be set up through Telecommunications Services and use university contracts.

10. For FY2016, travel shall not be funded with state funding. International travel, funded from allowable sources, require the approval of the Dean.

11. NOTE: All internal services department rates and/or rate changes should be considered when determining operating expense budgets. Individual departments should contact these service departments and/or view their websites concerning any rate changes and must budget sufficient funds to cover all internal services in order to avoid account deficits during the fiscal year.
SALARY GUIDELINES

1. Management A&P Salary Guidelines:

   a. The Executive Budget Committee has approved a 2.5% self-funded merit pool for Management A&P employees. The ultimate distribution will be the responsibility of the respective, individual budget entity.

   b. The performance review period is from June 1, 2014 to May 31, 2015, and merits will be effective on September 1, 2015. Employees must have a performance reviews in P2A prior to the granting of merits. All merits for Management A&P employees will be reviewed by Compensation Services.

   c. Promotion and reclassification requests will be reviewed by Compensation Services and must be approved by the Senior Executive Vice President, Chief Operating and Financial Officer and the President or his designee.

   d. Prior year balances cannot be used to fund salaries or salary increases.

   e. Temporary Administrative Supplemental (TAS) pay is capped at 15% of an individual’s compensation. A TAS should not last more than 12 months. TAS requests must be reviewed by Compensation Services and approved by the Senior Executive Vice President, Chief Operating and Financial Officer and the President or his designee.

   f. Achievement Awards must be budgeted by the department and pre-approved by Human Resources Compensation Services.

   g. Longevity Pay will continue as normal.

Exceptions to these guidelines must be approved by the Senior Executive Vice President, Chief Operating and Financial Officer and the President or his designee. Justification must be based on extraordinary circumstances. Please direct any additional questions regarding the Management A&P merit process to Human Resources and the Compensation Services office.

2. Classified Salary Guidelines:

   a. The Executive Budget Committee has approved a 2.5% self-funded merit pool for classified employees. The ultimate distribution will be the responsibility of the respective, individual budget entity.

   b. Promotion and reclassification requests must be reviewed by Compensation Services and approved by the Senior Executive Vice President, Chief Operating and Financial Officer and the President or his designee.

   c. Market or internal equity adjustments may also result in salary increases as warranted and approved by Compensation Services.

   d. Prior year balances cannot be used to fund salaries or salary increases.

   e. Temporary Administrative Supplemental (TAS) pay is capped at 15% of an individual’s compensation. A TAS should not last more than 12 months. TAS requests must be reviewed by Compensation Services.
Services and approved by the Senior Executive Vice President, Chief Operating and Financial Officer and the President or his designee.

f. Achievement Awards must be budgeted by the department and pre-approved by Human Resources Compensation Services.

g. Longevity, Hazardous Duty Pay, Certification Pay, and Shift Differentials will continue as normal.

h. Demotion requests must be reviewed by Employee Relations.

CLASSIFIED MERIT PROGRAM INSTRUCTIONS

Classified employees may be awarded a merit from 0 to 4.5% based on performance and position in range. The ultimate distribution will be the responsibility of the respective, individual budget entity. The total self-funded merit and lump sum merit dollars should not exceed, in the aggregate, 2.5% of an operating unit’s budgeted classified salaries. Each operating unit has the discretion to push that limitation down to a lower level (i.e. department, division) should they choose.

- The performance review period is from September 1, 2014 to August 31, 2015, and merits will be awarded on a single date. Employees must have up-to-date performance reviews in P2A or on file prior to the granting of merits. They will be effective December 1, 2015. Please do NOT include merits as part of the 9/1 panels.

- Employees must be a regular benefits eligible employee (0.5 FTE or more) with a minimum of six months of continuous employment with UT Health to receive a merit in FY2016.

- Employees must have completed their probation period.

- Employees must be actively employed at the time the merit is made. Employees who are on unpaid leave are eligible upon returning to work provided all other eligibility requirements are met.

- Eligible employees may not receive more than one merit increase per fiscal year.

- All documented, job-related required licenses and certifications must be current. Please refer to the appropriate job descriptions for further information.

- Merits are calculated using base compensation only.

- The department manager is responsible for ensuring that all employee eligibility requirements are satisfied and all appropriate approvals are met.

- Employees are eligible to receive base merit increases up to the pay range maximum.
  - Once the employee’s base compensation is at the pay range maximum, any additional merit dollars will be given as a lump sum merit.

- Exceptions to these guidelines must be approved by the Senior Executive Vice President, Chief Operating and Financial Officer and the President or his designee. Justification must be based on extraordinary circumstances.
FACULTY COMPENSATION DEFINITIONS

**Base Compensation** – Compensation that is fixed for the fiscal year during the faculty member’s appointment.

**Augmentation Compensation** – Permissive and long-term variable pay that is not guaranteed and is related to the overall success of the practice plan. This is established at the beginning of each fiscal year but can nonetheless vary during the same year under certain circumstances. Augmentation is used to recognize expected clinical performance.

**Incentive Compensation** – Additional variable pay recognizing the productivity of an individual. Incentive Compensation is earned by meeting specific anticipated clinical performance criteria, which is over and above expected clinical work.

**Supplemental Pay** – Short-term and temporary pay (one fiscal year or less) to recognize additional work and responsibility not recognized in base pay.

**Total Compensation** – Total compensation includes base compensation, augmentation compensation, incentive compensation and supplemental pay.

**Administrative Supplement** – Compensation for carrying out an administrative role. This supplement can remain in place until the role is relinquished.
CLARIFICATION OF TENURE STATUS

TENURE

Tenure is awarded by the UT System Board of Regents, acting upon the recommendation of the President of a UT System component institution. It denotes a status of continuing appointment as a full time member of the faculty at a component institution of The University of Texas System. The titles in which faculty members may hold tenure are Professor, Associate Professor or Assistant Professor.

TENURE TRACK

Tenure Track is the probationary period during which service is counted toward the fulfillment of a probationary period. The maximum period of probationary faculty service in non-tenured tenure track full time positions at a health related institution cannot exceed nine years. Faculty holding the titles of Assistant Professor, Associate Professor or, Professor are considered on tenure track until satisfaction of requirements for tenure is met. Faculty holding the title of Instructor are also considered on tenure track and time in this title (not to exceed one year) counts toward fulfillment of the probationary period, but tenure cannot be awarded to an individual in this title.

NON-TENURE

In health related components of the UT System, persons appointed to full-time positions for the primary purpose of patient care, or in research programs with the primary purpose of research, with only incidental teaching duties, are considered to be non-tenure track.

Faculty in such full-time clinical or research positions are appointed as Instructor of [Specialty], Assistant Professor of [Specialty], Associate Professor of [Specialty], Professor of [Specialty], with either “non-tenured clinical appointment” or “non-tenured research appointment” following in parenthesis.

Persons appointed to part-time positions for the primary purpose of patient care and other service activity, with only incidental teaching or research duties are considered non-tenure track.

Faculty in such part-time clinical positions are appointed as Clinical Instructor, Clinical Assistant Professor, Clinical Associate Professor or Clinical Assistant Professor with “non-tenured clinical appointment” following in parenthesis.

Other non-tenure track titles include Lecturer, Senior Lecturer, Assistant Instructor, Teaching Associate, Teaching Assistant, Faculty Associate or Specialist. Appointments to positions with these titles or positions with research clinical titles are for a period of one year. Service in these titles cannot be counted toward the fulfillment of a probationary period nor can tenure be awarded in these titles.
CAPITAL BUDGETS

Outlays for capital equipment and capital improvements to institutionally owned and leased buildings represent a significant UTHealth investment and, as such, should be an integral step in the annual budgeting process for the schools and other operating units. Each will be required to submit supplemental information regarding planned capital expenditures from State, HCPC, Service Department, Other Designated, MSRDP and Auxiliary funds with their budget submission. Supplemental information is to be submitted in the format provided in the Budget Supporting Schedules worksheet.

Schools and other operating units can continue to budget capital expenditures in individual departmental or other program accounts, or can consolidate these expenditures into a single “Capital Improvement/Capital Equipment” account.

REVENUE BUDGETS

Revenue Budgets for all income producing accounts (Service Department, Other Designated, MSRDP, DSRDP, and Auxiliary Enterprises) must be supported in detail. Income estimates should be based on prudent business practices and assumptions utilizing historical revenue data and reasonable projections of future activity. Projected income earned through formal agreements between parties must be supported by a fully executed contract. Remember that sufficient income must be available to cover all estimated expenditures. Prior year balances should not be budgeted as a revenue source. Budgets that inaccurately reflect actual revenue receipt will be adjusted down during the coming fiscal year.

In the event a contract has not been finalized when budgets are due, the revenue and expense budgets for that particular program or activity cannot exceed the previous fiscal year’s budget. If a program or activity did not exist in the previous year, the anticipated value of the contract should be budgeted.

INTERNAL SERVICES DEPARTMENT FUNDS

All research related service departments must submit current three-year business plans for each Service Fund Chart Field by May 20, 2015. Research related departments will submit to Jodi Ogden in the Office of Sponsored Projects.

New in FY 2015 and continued for FY 2016 will be a requirement for non-research related service departments to submit justification for continuation of the service center. Non-research related service centers will submit to Budget and Financial Reporting at budget@uth.tmc.edu by May 20, 2015. The Templates for both business plans/justifications are located at: https://inside.uthouston.edu/finance/budget/budget.htm.

Service departments are established for the primary purpose of providing products or services to users within the institutional community, when the anticipated annual revenue exceeds $25,000 and must meet the following criteria:

- Must have an identifiable work product, good, or service.
- Must be able to attach a readily identifiable price to the work product or service, based on direct and indirect costs.
- Pricing structures and pricing practices must be consistent for all clients, regardless of funding source.
- Projections for the financial soundness must include a budget and must describe how the service department can fully recover its costs of operation.

Further Internal Service Department information and guidelines can be found on General Accounting’s web site at https://inside.uthouston.edu/finance/general-accounting/internal_service.htm.

Please note that personnel can only be loaded on the 9/1 panels to service departments who have submitted updated business plans/justifications for review and approval. FY 2016 budget load will also be delayed for any business plans/justifications not submitted.
UTHealth FY2016 Budget Instructions

UTHEALTH Custom Budgets System
Fiscal Year 2016

All Accounts

1. The Budget system will be available April 15, 2015 through May 29, 2015 for authorized users. Verify departmental lockouts with your Deans’ Offices or the Budget office.

2. Remember to budget all vacant as well as filled Faculty, Administrative and Professional, and Classified staff positions. Any vacant position not included in the budget will be subject to the new position approval process as part of the HCM 9.2 upgrade. Casual appointments, Stipends, Cell Phone Supplements and Longevity should be budgeted as lump amounts in budget pool 61004-Other Wages.

3. Salary amounts as well as cross appointments entered into the Budgets System will be reflected on the Appointment letters mailed to Faculty and Administrative and Professional staff effective September 1, 2015, unless otherwise changed subsequent to the approved budget.

4. Verify that the total of all departmental budgets agree with the operating unit budget and method of finance provided.

5. Complete all supplemental schedules in the online Budget Schedules Worksheet and submit to Budget and Financial Reporting by June 5, 2015.

6. Position Budget Data Entry:
   a. Request new positions through the SDR Team using the same process as in HCM Production. Specify effective date of 09/01/2015.
   b. Request vacant positions through the SDR Team using the template on the SDR website (https://inside.uthouston.edu/finance/system-data-resources/Forms.htm). Please allow for a 24- to 48-hour turnaround process time.
   c. Casual employees, Student Stipends, Cell Phone Supplements and Longevity are not budgeted at the position level in the Budget Process. Those amounts must be budgeted in budget pool 61004.
   d. If a position needs to be associated with a different HR Department, request a new position number and delete the funding lines on the old position.
   e. If an employee will no longer be budgeted effective 09/01/2015, delete the employee funding lines.
   f. If an employee is being replaced by a new employee, or through the transfer of a current employee, request a new position through SDR with an effective date of 09/01/2015.
   g. To change a funding line, use the delete button to delete the existing funding line. Save the change. Log out completely. Search the employee again, and then use the button to add the new funding line.

7. Line Item Budget Data Entry:
   a. New Department IDs/Speed Types/Budget Centers will be requested through the Post Award Finance (PAF) team and the Budget Office by the same process used in FMS Production. Indicate the new department or speed type is to be used for the FY2016 Budget process effective 09/01/2015. Please allow for a 5-day turnaround process time when requesting new Departments.
   b. Budget all appropriate Revenue Accounts that will be used in the requested fiscal year. Analyze your current year recognized revenue accounts for commonly used revenue accounts. Do not budget everything in Miscellaneous Income or Transfers within a Fund Class.
c. Zero out the “Requested” amount for an Expense Budget Pool or Revenue Account if that expense or revenue account will no longer be used or budgeted.

d. Use the + button to insert a new Expense Budget Pool or Revenue Account. Typing over an existing Account chart field will corrupt the data if the line contains amounts in the Actuals, Original Budget or Adjusted Budget columns.

e. State Funded Budget Centers/Speed Types cannot be deleted if amounts exist in the Original Budget column.

State Accounts:

8. The number of budgeted FTE’s cannot exceed the FTE cap with the exception of any new special items.

9. Use of prior year balances to fund FY2016 budgets is not allowed.

Designated, Service and Auxiliary Accounts:

10. In Designated, Service and Auxiliary Funds, sufficient amounts must be included in the benefits budget pool 61005 to cover estimated benefit expenditures for salaries budgeted in salary budget pools 61001, 61002, 61003 and 61004. A report in HCM > Main Menu > UT Budgets > Reports > Estimated Benefits Encumb Report – can be used to estimate benefits based on employees’ budgeted gross salaries times a tiered percentage rate. The report can be run by Employee ID, by Budget Center and/or by HCM position department ID.

11. Also include in budget pool 61005 sufficient benefit estimates calculated on longevity, casual employees, stipends and other wages budgeted in budget pool 61004. Review service dates and adjust longevity amounts where appropriate. In HCM > Main Menu > UT Budgets > Reports > Longevity Report – calculates total longevity for employees within an HCM department.

12. Revenues must be at least equal to and can be greater than Expenses on the Line Item Overview panel.

13. The most current University of Texas System Rules, Policies and Procedures for Budget, MSRDP, DSRDP, LERR and STARS can be found at http://www.utsystem.edu/cont/policies.htm.
## FY 2016 UTHealth Budget Calendar

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
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<tbody>
<tr>
<td>April 13</td>
<td>Load current HCM position data, FMS data and reconcile</td>
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<tr>
<td>April 14</td>
<td>Distribute Budget Instructions</td>
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<tr>
<td>April 15</td>
<td>Release Budget system to users</td>
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<tr>
<td>May 8</td>
<td>Department Users deadline to request vacant positions</td>
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<tr>
<td>May 15</td>
<td>Lock out School Departmental Users – verify exact date with your Dean’s office</td>
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<tr>
<td>May 20</td>
<td>Lock out All Operating Unit – 01 user levels</td>
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<tr>
<td>May 20</td>
<td>School Deans’ Offices deadline to request vacant positions</td>
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<tr>
<td>May 20</td>
<td>Service Center Business Plans due (research service centers)</td>
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<td></td>
<td>Service Center Justifications due (non-research service centers)</td>
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<tr>
<td>May 29</td>
<td>Lock out all School Deans’ Offices</td>
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<tr>
<td>June 1</td>
<td>BFR begins data verification and reconciliation, prepares Supplemental Data reports</td>
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<tr>
<td>June 5</td>
<td>Return Supplemental Budget Worksheets to Budget and Financial Reporting</td>
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<tr>
<td>June 29</td>
<td>Budget Book and all Supplemental Documents due to UT System</td>
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<tr>
<td>July 2-9</td>
<td>Technical Budget Review with UT System</td>
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<tr>
<td>July 16</td>
<td>Final Budget and all Supplemental Documents due to UT System</td>
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<tr>
<td>July 23</td>
<td>FY 2016 Budget available to encumber in FMS -- <strong>pre-approval from Processor</strong></td>
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<td></td>
<td><strong>departments required</strong></td>
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**Note: Dates Subject to Change**
REQUIRED SUPPORTING SCHEDULES

To be consistent and efficient in providing additional supplemental budget information to UT System, we request that each school, operating unit and/or department submit the following completed schedules to the Office of Budget and Financial Reporting by June 5, 2015.

- All MSRDP/DSRDP Funds
- Restricted Funds
- Use of Designated Tuition Increases
- Schedule of Active Employed Faculty Cross Appointments
- Schedule of Changes in Faculty/A&P Salaries – Promotion, Merit, Equity & Other
- Uses for Projected State Funds Carry Forwards
- Uses for Projected Non-State Funds Carry Forwards
- Transfers Within a Fund Class
- Capital Expenditures Worksheet
- Major Goals/Programs Starting in FY 2016
- Major Goals/Programs Ended in FY 2015

The above Excel worksheet can be downloaded from the Budget and Financial Reporting website:

https://inside.uthouston.edu/finance/budget/budget.htm
EXPENSE ACCOUNTS

Non-Restricted Funds – FMS Commitment Control Budget Pools

61001  Faculty Salaries (includes Augmentation)
61002  Administrative & Professional Salaries
61003  Classified Salaries
61004  Other Wages (Includes Longevity, Fringe Benefits, CEL)
61005  Staff benefits
61006  Maintenance and Operations (Other Operating Expenses)
61007  Travel
61008  Utilities
61009  Capital Equipment
61010  Reserves
61011  Expense Transfers/Debt Service (For HCM Budget purposes, this is strictly used for budgeting Debt Service Transfers to UT System.)

Budget pools 61012 through 61020, 61050 and 61099 are not used in the HCM Budgets System for UTHealth budget entry.

HCM Position Data Entry Detail Expense Accounts

67008  Faculty Salaries (rolls up to 61001 budget pool)
67010  Administrative & Professional Salaries (rolls up to 61002 budget pool)
67014  Student Employee Salaries (rolls up to 61003 budget pool)
67015  Classified Salaries (rolls up to 61003 budget pool)
69001  Augmentation (rolls up to 61001 budget pool)
FY 2016 Benefit Tiers for budgeting purposes

Listed below are the employee benefit tiers that will be loaded into HCM for 2016 budgeting purposes. These rates factor in an estimated 9% increase in premium sharing costs in FY 2016.

Based on analysis of the performance of our vacation fund over the past few years it was determined the 1% funding needed to be increased to 1.4%. Also new this year is a .6% assessment to assist in funding retiree premium sharing. This will be assessed against all salaries paid off of all fund sources. Previously this was entirely funded by an offset of local E&G income. Both of these increases are reflected in the benefit tier rates.

Non students. Please note some tiers differ from the prior year.

0 - $39,999 40%
$40,000 - $69,999 32%
$70,000 - $149,999 26%
$150,000 - $229,999 21%
$230,000 - $499,999 16%
$500,000 + 10%

Based on an analysis of our student population it has been determined a change in the tiers is needed. Students have the following tiers due to their limited benefit eligibility.

Students. Please note some tiers differ from the prior year.

0 - $9,999 18%
$10,000 + 26%

Individuals less than 50% FTE remains at 9%.

These percentages are solely for budgeting and encumbrance purposes.

The determination of the applicable tier should be based upon the total gross salary (including supplements), regardless of funding.

Please note the availability of a standard HCM budget report for computing the total estimated benefit cost. This report will pull in the individual’s gross salary and apply the appropriate tier. We plan to place reliance on this systematic report for budgeting purposes instead of the manual spreadsheet historically also available. This report can be downloaded to excel and eliminates the need for you to manually enter individual employee information. (location: HCM\UT BUDGETS\REPORTS\ESTIMATED BENEFITS ENCUM RPT FOR BENEFIT CALCULATION note: you must use as of date 09/01/2015).
LIST OF COMMONLY USED REVENUE ACCOUNTS

LISTED BY FUND GROUP
(refer to Line Item Revenue Account Lookup Table for Complete List)

SERVICE DEPARTMENTS

40725  Sales & Services - Educational: Most sales to internal UTHSCH departments.
41022  Lease Payments: Lease payments collected through institutional lease management account.
41029  Outside Sales and Services - Unrestricted: Sales to entities outside UTHSCH.
55205  Transfer Within a Fund Class: Transfers between service department chart fields.

DESIGNATED FUNDS

40802  Hermann Hospital Contract: MSRDP Patient revenues collected under contractual agreement with Memorial Hermann Hospital.
40808  HCHD Contract: MSRDP Patient revenues collected under contractual agreement with Harris County Hospital District.
40814  Other Contract – MSRDP: All contractual MSRDP revenue collections not previously identified to a specific contract.
40817  Professional Fees – MSRDP/DSRDP: MSRDP/DSRDP non-UCP patient revenue collections.
41007  Continuing Education Fees: Fees collected from continuing education courses offered by UTHealth.
41025  Miscellaneous Income - Unrestricted: Income received infrequently that does not represent income received during the normal course of operation.
41029  Outside Sales & Services - Unrestricted: Non-patient revenues from sales to entities outside UTHSCH.
41030  Patient Charges - Unrestricted: Patient collections recorded in a non-MSRDP Account. All non-MSRDP contractual revenue collections not previously identified to a specific contract.
41043  Investment Income - Revenue derived from investment of institutional cash balances.
55204  Transfer UCP-Department Distribution and Assessment: Medical School only.
55205  Transfer Within a Fund Class: Transfers between designated accounts.
55210  IDC Reallocation Transfers: Transfers of Indirect Cost Recovery revenues between the Other Designated Support accounts.
55211  UTHSC Commitments Levy: Transfers to fund institutional commitments.

AUXILIARY ENTERPRISES

40181  Student Services: Fees paid by students for non-educational services provided.
40725  Sales & Services – Educational: Fees paid by non-students (parking, etc.)
40750  Sales - Auxiliary Enterprise: Collections from customer sales
41043  Investment Income - Revenue derived from investment of institutional cash balances.
55205  Transfer Within a Fund Class: Transfers between Auxiliary Enterprise chart fields.
55211  UTHSC Commitments Levy: Transfers to fund institutional commitments.

* Revenue recognized in a prior year will not have current year revenue recognized against it.
1. Items requiring approval of the U. T. System Administration and subsequent approval by the U. T. System Board of Regents through the Consent Agenda:

   a. Transfers from Unappropriated Educational and General Fund Balance.

   b. New appointments of tenured faculty.

   c. Award of tenure to any faculty member.

   d. New appointment as Dean Emeritus, Chair Emeritus, or Professor Emeritus.

   e. Appointments, promotions, and salary increases involving the president.

   f. Compensation changes for employees whose total annual compensation is $1,000,000 or above.

   g. Increases in budgeted amounts of $500,000 or more from income for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds.

   h. Increases to Plant Funds of $500,000 or more, which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds.

2. Items requiring approval of U. T. System Administration (no Consent Agenda approval required):

   a. Reappropriation of prior year Educational and General Fund balances of $100,000 or more.

   b. Increases in budgeted amounts of $100,000-$499,999 from income for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds.

   c. Increases to Plant Funds of $100,000-$499,999 which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds.

   d. Compensation changes for employees whose total annual compensation is $500,000 or more but less than $1,000,000.

   e. Salary increases involving tenured faculty of $10,000 or more at academic institutions and $25,000 or more at health-related institutions. This includes one-time merit payments.

   f. Appointments and promotions involving administrative and professional personnel reporting directly to the president, a vice president, or the equivalent.

   g. Salary increases of $10,000 or more involving administrative and professional personnel reporting directly to the president, a vice president, or the equivalent. This includes one-time merit payments.
h. All appointments and salary increases of $10,000 or more involving employees, other than athletic directors and head coaches, serving under written employment contracts. This includes one-time merit payments.