



UTHealth<sup>TM</sup>

**The University of Texas  
Health Science Center at Houston**

**FY 2017**

**Operating Budget Instructions**

# UTHealth FY2017 Budget Instructions

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

As we begin the budget process for fiscal year 2017, many have asked how the significant decline in oil would impact the budget. The feedback we've received to date, and upon which we are basing the new year's budget, is to expect a funding level consistent with that appropriated for the 2016-2017 biennium by the 84<sup>th</sup> Texas Legislature. State officials have assured us that the State of Texas is much more diversified than it was in the 1980s and while the decline in oil prices is negatively impacting the Houston economy, the State as a whole is on solid financial footing.

Much like the State, UTHealth also remains fiscally sound. We continue to expand our clinical activities, increasing access to clinical care largely through the Network Access Improvement Program (NAIP) and Delivery System Reform Incentive Program (DSRIP). Our academic programs, particularly in the School of Nursing and the School of Biomedical Informatics, are projecting an increase in enrollment in the new year. This is especially important as the upcoming summer, fall, and spring semester enrollments drive the formula funding health-related institutions will receive from the legislature for the 2018-2019 biennium.

UTHealth will be enhancing its facilities in a big way in fiscal year 2017. Projects largely funded through the tuition revenue bonds approved by the 84<sup>th</sup> Legislature are currently in the planning stages. The projects are almost entirely deferred maintenance-related, as the McGovern Medical School Building, University Center Tower (UCT), and the Reuel A. Stallones (School of Public Health) Building are all at the midpoints of their useful lives and thus have significant infrastructure updates necessary.

In order to maximize our investment in educational, research, and clinical programs UTHealth has historically budgeted close to break-even financial results. Fiscal year 2017 will be no different. Consistent with prior years, this year's budget instructions continue to restrict use of 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 our reported 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 your sound fiscal stewardship that has allowed the institution to grow and flourish during these fiscally challenging times.

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### NEW/NOTEWORTHY FOR FY 2017

1. The HCM 9.2 upgrade which went live June 1, 2015 did not include any substantive changes to UT Budgets. Line item and position data entry will remain the same as in previous HCM versions.
2. There will no longer be a need to request vacant positions as they will load as part of the initial budget upload (March 16 payroll) to the last funding source for that position prior to it becoming vacant. Carefully review your vacant positions, especially those that have been vacant for the entire fiscal year, and determine if they are positions needed in FY 2017. New positions should not be requested for a vacancy that occurs during the budget process if that position is to be filled either in the current fiscal year or FY 2017.
3. For FY 2017 you will now be required to enter the Pay Group into the Requested tab only of the Position Budget Data Entry page for any new or vacant positions that do not currently have it pulled in. Instructions and examples for how to determine these amounts can be found in Appendix A at the conclusion of this document.
4. As part of the HCM 9.2 upgrade a new position request/approval system was put in place. If your department is currently conducting personnel transactions, including new positions, in the PASS system in HCM you will request new positions in the same manner. If your department is not yet in the PASS system continue to request new positions through the SDR website. For new positions that are to start in FY 2016 and continue into FY 2017, a current FY 2016 effective date is required. After the new position is approved, the position will be available the next day for assigning funding. For new positions to start with FY 2017 budget an effective date of 9/1/2016 will be required. The funding source in your new position request will not carry over to the budget module. You will need to review and add a funding source in the Position Budget Data Entry page for these new positions.
5. New tuition and fee revenue accounts were instituted for FY 2015 and will be used in the FY 2017 budget once again. Please review the recognized revenue accounts used in FY 2016 as these will need to be used in FY 2017. The new tuition and fee account range is 40201-40399.
6. 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 2017. The CC\_SUM ledger is loaded based on the combined expense pools entered in the budget system.
7. Starting with FY 2017 a change will be instituted to the speedtypes/chartfields for endowments. Beginning with FY 2017 each endowment will have its own fund number. Project numbers will remain the same within the chartfield. More information will come related to this change as we get closer to the new fiscal year.

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## BUDGET GUIDELINES

1. All budget guidelines must be explicitly followed when developing FY 2017 budgets.
2. All published budget timelines must be met.
3. FY 2017 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 2017 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 FY 2017, 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.

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## SALARY GUIDELINES

### 1. Management A&P Salary Guidelines:

- a. The Executive Budget Committee has approved a 3.0% 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, 2015 to May 31, 2016, and merits will be effective on September 1, 2016. Employees must have 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 3.0% 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

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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 0.0 to 5.0% 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, 3.0% 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, 2015 to August 31, 2016, 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, 2016. 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 FY2017.
- 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.

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### 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.

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## 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.

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## 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 April 1, 2016. Research related departments will submit to the Budget office at [budget@uth.tmc.edu](mailto:budget@uth.tmc.edu).

New in FY 2015 and continued for FY 2017 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](mailto:budget@uth.tmc.edu) by April 1, 2016. The templates for both business plans/justifications are located at: <https://inside.uth.edu/finance/general-accounting/annual-operating-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 Accounting and Budget's web site at [https://inside.uth.edu/finance/general-accounting/internal\\_service.htm](https://inside.uth.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 2017 budget load will also be delayed for any business plans/justifications not submitted.

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## UTHEALTH Custom Budgets System

### Fiscal Year 2017

#### All Accounts

1. The Budget system will be available **March 16, 2016 through April 29, 2016** 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. 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, 2016, 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 May 6, 2016.
6. Position Budget Data Entry:
  - a. Request new positions through the SDR Team using the same process as in HCM Production through the PASS system. Specify effective date of 09/01/2016 if the new position will not begin until FY 2017.
  - b. For those not using the PASS system in HCM continue to request new positions through the SDR Team using the template on the SDR website (<https://inside.uthouston.edu/finance/system-data-resources/Forms.htm>). Specify effective date of 09/01/2016 if the new position will not begin until FY 2017. Please allow for a 24- to 48-hour turnaround process time.
  - c. Please note: the funding source in your new position request will not carry over to the budget module. You will need to review and add a funding source in the Position Budget Data Entry page for these new positions.
  - d. New for FY 2017, for your new and vacant positions in the budget, you will need to add the pay group to the Requested tab on UT Budgets → Use → Position Budget Data Entry. Please see Appendix A for instructions on how to determine the pay group. Note: you only need to update the Requested tab; you will not be able to update the Base tab. You may get a warning message that says This Earn Code is not valid for this pay group. If so, just click through it.
  - e. 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.
  - f. If a position will no longer be budgeted effective 09/01/2016, and you are unable to reuse the position, delete the position funding lines.
  - g. If an employee is being replaced by a new employee, or through the transfer of a current employee, try to reuse a current vacant position. If you do not have a vacant position available for reuse, request a new position through SDR with an effective date of 09/01/2016.
  - h. To change a funding line, use the  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.

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### 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 to be used for the FY2017 Budget process effective 09/01/2016. 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 FY2017 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>.

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### FY 2017 UTHealth Budget Calendar

<b>February 29</b>	Begin Budget Module testing
<b>March 14</b>	Load current HCM position data, FMS data and reconcile
<b>March 15</b>	Distribute Budget Instructions
<b>March 16</b>	Release Budget system to users
<b>April 1</b>	Service Center Business Plans due (research service centers) Service Center Justifications due (non-research service centers)
<b>April 8</b>	Department Users deadline to request new positions
<b>April 15</b>	Lock out School Departmental Users – verify exact date with your Dean’s office
<b>April 15</b>	School Deans’ Offices deadline to request new positions
<b>April 22</b>	Lock out <b>All</b> Operating Unit – 01 user levels
<b>April 29</b>	Lock out all School Deans’ Offices
<b>May 2</b>	BFR begins data verification and reconciliation, prepares Supplemental Data reports
<b>May 6</b>	Return Supplemental Budget Worksheets to Budget and Financial Reporting
<b>May 20</b>	Budget Book and all Supplemental Documents due to UT System
<b>May 23-31</b>	Technical Budget Review with UT System
<b>June 10</b>	Final Budget and all Supplemental Documents due to UT System
<b>July 18</b>	FY 2017 Budget available to encumber in FMS -- <b><u>pre-approval from Processor departments required</u></b>

\*\*Note: Dates Subject to Change

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### 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 May 6, 2016**.

- 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 2017
- Major Goals/Programs Ended in FY 2016

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

<https://inside.uth.edu/finance/general-accounting/annual-operating-budget.htm>

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## EXPENSE ACCOUNTS

### Non-Restricted Funds – FMS Commitment Control Budget Pools

<b>61001</b>	Faculty Salaries (includes Augmentation)
<b>61002</b>	Administrative & Professional Salaries
<b>61003</b>	Classified Salaries
<b>61004</b>	Other Wages (Includes Longevity, Fringe Benefits, CEL)
<b>61005</b>	Staff benefits
<b>61006</b>	Maintenance and Operations (Other Operating Expenses)
<b>61007</b>	Travel
<b>61008</b>	Utilities
<b>61009</b>	Capital Equipment
<b>61010</b>	Reserves
<b>61011</b>	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

<b>67008</b>	Faculty Salaries (rolls up to 61001 budget pool)
<b>67010</b>	Administrative & Professional Salaries (rolls up to 61002 budget pool)
<b>67014</b>	Student Employee Salaries (rolls up to 61003 budget pool)
<b>67015</b>	Classified Salaries (rolls up to 61003 budget pool)
<b>69001</b>	Augmentation (rolls up to 61001 budget pool)

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### **FY 2017 Benefit Tiers for budgeting purposes**

Listed below are the employee benefit tiers that will be loaded into HCM for 2017 budgeting purposes. These rates factor in an estimated 7.5% increase in premium sharing costs in FY 2017.

Based on an analysis of the current and forecasted payroll related expenditures, an adjustment of the benefit tiers is required for FY 2017.

Non-students: Please note some tier rates differ from the prior year.

\$0 - \$39,999	41%
\$40,000 - \$69,999	33%
\$70,000 - \$149,999	27%
\$150,000 - \$229,999	22%
\$230,000 - \$499,999	17%
\$500,000 +	11%

Based on an analysis of our student population it has been determined that the tiers will remain the same as the prior year. Students have the following tiers due to their limited benefit eligibility.

Students:

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

Individuals less than 50% FTE remain 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 source.

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 09/01/2016).

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## 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.

# UTHealth FY2017 Budget Instructions

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## U.T. SYSTEM HEALTH INSTITUTIONS

### **Guidelines for Processing RBC's and/or Obtaining Approval For Personnel Salary Changes, Incentive Pay Increases, Merit Raises, and Fringe Benefit Increases**

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. New appointments of tenured faculty (Regents' Rule 31007).
  - b. Award of tenure to any faculty member (Regents' Rule 31007).
  - c. New appointments as Regental Professor, Dean Emeritus, Chair Emeritus, or Professor Emeritus (Regents' Rule 31001). Titles set forth in Regents' Rule 20301 including Chancellor Emeritus, President Emeritus and similar honorary designations are conferred by the U. T. System Board of Regents through the full agenda.
  - d. Appointments, promotions, and salary increases involving the president (Regents' Rules 20201, 20202, 20203).
  - e. New contracts or contract changes involving athletic directors or head coaches whose total annual compensation, or total contractual compensation, equals or exceeds the amounts specified by Regents' Rule 10501 Section 2.2.12.
  - f. Compensation changes for employees whose total annual compensation is \$1,000,000 or above (Regents' Rule 20204).
  - g. Compensation changes for Key Executives as defined by Regents' Rule 20203.
  - h. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.
  - i. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.
2. Items requiring approval of U. T. System Administration (no Consent Agenda approval required)
  - a. Reappropriation of prior year Educational and General Fund balances, subject to the thresholds established in B.5 below.
  - b. Increases in budgeted amounts from income or unappropriated balances for Educational and General, Auxiliary Enterprises, Designated Funds, Service Departments, Revolving Funds, and Plant Funds, subject to the thresholds established in B.5 below.
  - c. Increases to Plant Funds which result from transfers from Educational and General Funds, Auxiliary Enterprises, Designated Funds, Service Departments, and Revolving Funds, subject to the thresholds established in B.5 below.

## UTHealth FY2017 Budget Instructions

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- d. Compensation changes for employees whose total annual compensation is \$500,000 or more but less than \$1,000,000 (Regents' Rule 20204).
- e. Compensation 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.
- g. Compensation increases of \$10,000 or more involving administrative and professional personnel reporting directly to the president. This includes one-time merit payments.

### Appendix A – Pay Group Determination Cheat Sheet

JOB FAMILY	FLSA STATUS	PP	MED SCHOOL (Y,N OR ALL)	PAYGROUP
C	NONEXEMPT	Y	ALL	CLH
C	NONEXEMPT	N	ALL	CLN
C	EXEMPT	N	ALL	CLX
C	EXEMPT	Y	ALL	CLX
A	EXEMPT (ALWAYS)	N/A	Y	EFA
M	EXEMPT (ALWAYS)	N/A	Y	EFA
F	NO	N/A	Y	EFA
L	EXEMPT (ALWAYS)	N/A	Y	EFA
A	EXEMPT (ALWAYS)	N/A	N	FAP
M	EXEMPT (ALWAYS)	N/A	N	FAP
F	NO	N/A	N	FAP
L	EXEMPT (ALWAYS)	N/A	N	FAP
S	NONEXEMPT	N/A	ALL	STN
S	EXEMPT	N/A	ALL	STX
			*ALL STIPENDS JOB CODE 0933 belong to the stipend pay group.	STI

#### Examples:

Job code 0775 in department 25720000

Job family F, no FLSA, job code ends in PP (N), department begins with 2 = Med School

Paygroup = EFA

Job code 0775 in department 38150000

Job family F, no FLSA, job code ends in PP (N), department begins with 3 = Non-Med School

Paygroup = FAP

Job code 1799PP in department 25720000

Job family C, job code ends in PP (Y), FLSA Status = Non-Exempt

Paygroup = CLH

Exempt status by job code link:

<https://inside.uth.edu/hr/compensation/job-titles-descriptions/classified-by-job-descriptions.htm>