

Budget Office Procedure

Use of Operating Budgets: Salaries, Wages, Employee Benefits and ITS Charges

Overview

Generally, unused salaries and wages budgets cannot be used for non-salary activity. Some exceptions include:

- Moving salary budget to object code 75150 TEMPORARY HELP – AGENCIES is permissible only if it is needed for backfilling an open budgeted position with contract labor. In this case, only Working Budget is allowed to be moved, not permanent budget.
- Unused Student Wages budget can also be used for student tuition remission (object codes 82010 MS & 80211 PhD). As above, this is working budget only, not permanent budget.
- We also allow for unused Student Wages working budget to be used to fund student stipends, Object code 82570. Again, we do not allow movement of permanent budget.

Rationale

Although it seems unrelated, the reason unused salaries and wages unused budgets can not be used for non-salary activity is because the university intentionally budgets just \$5.0 million (current FY17 amount) annually for capital transfers to maintain our physical plant. Clearly that amount is inadequate to keep the over 5 million square feet building space on our campus in good repair. We accomplish that by transferring to plant R&R (Renewal & Replacement) reserves each year not only the \$5.0M budgeted, but also nearly all of the budget surplus generated from frictionally unfilled/budgeted positions. Doing so, allows us to operate with a larger allocated budget than we would otherwise have if we were to specifically budget the \$15-\$20 million actually required to keep the campus sufficiently maintained.

Allowed Utilization of S&W Budgets

Operating units may move salary budgets within the salaries and wages category for like type salaries and wages. Within the salary & wage category, we generally allow movement of both working and permanent budgets.

Unused salary, fringe benefits and ITS computer services chargeback budgets may also be used for to fund transfers to cost share projects as the expense of the faculty/staff member's effort being charged to the cost share project is typically being diverted from the operating budget where his/her salary/EB/ITS budgets are located. As with some of the other uses of budget funds, this applies to working budget only, not permanent budgets.

The Reverse is Not True – Repurposing non-salary budgets for Salaries & Wages

Operating units may move budget funds from non-salary object codes to salary object codes but must also move adequate budget for the corresponding fringe benefits expense as well. In this case, both Working Budget and permanent budget may be moved. This is premised on the discretion given to each department head/VP/Dean over the non-salary portion of his/her operating budget. If, for example and with Human Resource approval, a manager desires to promote someone, non-salary budget funds may very well be the only source of the budget funding.

Fringe Benefits and ITS Computer Services

The budgets for Fringe Benefits (72050) and ITS Computer Services (90230) can be used for nothing else other than cost share transfers because these expenses are managed centrally. While controlled at the university level, we are required to apportion them (via charge-backs) to the university's operating units for compliance with financial reporting requirements, sponsored research accounting protocols, and proper segmentation of NTID's expenses. At the end of each fiscal year, budgets in each operating unit are adjusted to level of actual expense because the units on campus have no control/discretion over these expenses.