CSUF Position Budget Management Policy

POLICY AND PROTOCOL FOR MANAGEMENT OF SALARY BUDGET AT THE DIVISION AND DEPARTMENT LEVELS

Policy Administrator: Vice President for Administration & Finance/CFO
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## Appendices

(1) Budget Review Certification Form
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I. Position Budgeting and Planning

1. Policy Purpose: What is position budgeting and why does it matter?

Position Budgeting is a system of tracking and managing academic and staffing resources based on positions and FTEs rather than employees. It allows for a framework of positions to be created for all jobs within the organization without regard to whether an incumbent exists in a specific position or not.

Position Budgeting helps managers plan for and monitor continual staff and faculty resources relative to availability of budget. Position Budgeting highlights the availability of funding for permanent positions. Doing so helps departments account for future commitments for staff and faculty salaries. If the salary commitments are projected to exceed available funds, reasons for being out of balance needs to be identified and steps developed to eliminate short term and/or permanent deficits.

2. Policy Scope & Implementation: What is my part in the process?

Beginning fiscal year 2017-18, the Budget Office enhanced the budgeting process by creating a Position Planning & Budgeting System that allows us to better monitor and manage salary budgets. Effective July 1, 2018, the following requirements will be implemented:

1. Divisions are responsible to ensure that baseline funding exists at the departmental level for all permanent employees funded from the Operating Fund. If baseline funds are not sufficient to cover salaries, refer to Section 5 (Step 1a) of this document.

2. All vacancies must be identified and budgeted within the Position Budget Planning System to receive funding and compensation adjustments, once filled.

This document is designed to identify the accountability process and tools that can be used to track budgets by position.

3. Important Deadlines: When do I review the position budget?

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| 1st Quarter Review  | 10/1 – 10/31| • Review Position Budget  
|                     |             | • See Appendix #: Permanent Position Checklist  
|                     |             | • Due October 31                                                          |
| 2nd Quarter Review  | 1/1 – 1/30  | • Review & Balance Position Budget  
|                     |             | • See Appendix #: Q2 Guidelines  
|                     |             | • Certification due January 30                                             |
| 3rd Quarter Review  | 4/1 – 4/30  | • Review & Balance Position Budget  
|                     |             | • Due April 30                                                            |
| 4th Quarter Review  | 6-1 – 7/10  | • Review & Balance Position Budget  
|                     |             | • Due July 1                                                              |
4. Levels of Budgeting for Positions

The university budgets by position (salary and FTE) for the following commitment items:

Note: All permanent employees listed in the following groups must be tracked by individual salary budget line item and have permanent funding in place to cover the cost of their salaries:

- Academic Salaries
  - Tenure Track Faculty
  - Regular Faculty
  - Other Academic (Librarians)
- Department Chair
- Support Staff Salaries
- Management and Supervisory

Budgeting for the following positions are based on group/pool level budgeting:

- Adjunct Faculty/Lecturers
- Staff Temp Help (casual worker, contract employee, fiscal year renewal, retired annuitant, special consultant)
- Students
  - Graduate Assistant
  - Teaching Associates
  - Student Assistant
  - Work-Study Student

5. Review: How do I review the position budget?

A thorough review of the position budget should result in a position roster that aligns with the department’s position budget, reflecting all baseline budgeted filled and unfilled (vacant/to-be-hired) positions. Use the steps below to determine if departmental position budgets are budgeted correctly:

**Step 1A: Permanent Salary Budget Analysis**

Check for baseline salary budgets are sufficient to cover all PERMANENT employees in a department on an annual basis. Use the Baseline Position Budget Report (Permanent Position Roster) and as a tool to perform the required analysis. ‘Base Available’ should have an available balance of zero or be positive.

After a thorough review, if a deficit or surplus occurs, submit the Certification and Plan of Action form on behalf of your division to Resource Planning & Budget for review based on timelines defined in Section 3 of this document.
Note: Salary budgets at the account level should always equal zero or be positive. This means you must move budget in and out to balance position budget at the department level.

Step 1B: DEFICIT - Fiscal Year Salary Budget Analysis

To be completed only if the budget is in deficit.

If the baseline funds commitment creates a deficit, identify sources of funding (including one-time funds). Use the following tools to complete this step.

1) Process a budget transfer to allocate sufficient funds to clear deficits or move position to another cost-center where there is sufficient funding to cover salaries (this action will be completed using the Position Action Form). Review the balances after adjustment has been processed and repeat until deficit is cleared. If deficit is not completely cleared, see instructions for step 3.

2) If deficit is due to a planned ‘To Be Hired/Vacant’ position(s), eliminate the commitment by sending a TBH/Vacant Position Adjustment form to Resource Planning and Budget. Review the balances after adjustment has been processed and repeat until deficit is cleared. If deficit is not completely cleared, see instructions for step 3.

3) Use the Budget Projection by Source tool to identify how deficits will be funded from other funding sources. Submit a copy of the report, Certification, and Plan of Action Form to Resource Planning & Budget.

Step 1B: SURPLUS - Fiscal Year Salary Budget Analysis

To be completed only if the budget shows a surplus.

1) Verify all vacant and pooled positions have been accounted for.

2) Submit a Certification and Plan of Action Form to Resource Planning & Budget.

Step 2: Certify and Submit

1) Certify that the report is reviewed and a plan included to address structural deficits using the Plan of Action Form.

2) Using the Budget Review Certification Form, send a copy of the report (quarterly) with appropriate signatures certifying that the report has been reviewed.
6. Certification: Who approves the position budget?

The Department Budget Manager must review the position budget and provide review results to the Division Budget Officer. The Division Budget Officer must certify all department position budgets prior to submitting to Resource Planning and Budget.

*Reference: Budget Oversight Policy

7. Funding Policies: Will baseline or non-baseline funds be used?

Baseline budget is required for all permanent employees for the categories listed below.

*Note: All permanent employees listed in the following groups must be tracked by individual salary budget line and have permanent funding in place to cover the cost of their salaries:

- Academic Salaries
  - Tenure Track Faculty
  - Regular Faculty
  - Other Academic (Librarians)
- Department Chair
- Support Staff Salaries
- Management and Supervisory (including President)

Use the ‘Plan of Action’ Form to address any deficits.

Baseline budget is not required for the following employee categories.

*Note: Employees in this category may be funded with baseline or one-time funds from a “pool” method by creating one budget line. Departments may utilize such funding for permanent positions on an annual basis.

- Part Time Faculty/Lecturers
- Staff Temp Help (casual worker, contract employee, fiscal year renewal, retired annuitant, special consultant)
- Students
  - Graduate Assistant
  - Teaching Associates
  - Student Assistant
  - Work-study Student

Funding Policies: Academic Funding Policy

Budgeting for Faculty Position (FTEF)

The campus has historically funded instruction and instructional support at CSUF at a budgeted SFR of 21.28 meaning that the number of FTEF positions and related funding is determined by the FTES target.
These values are calculated on an annual basis. There are two components to the FTES target for the campus and, therefore, the related FTEF position funding. The first is the **Baseline FTES Target**, which is set in terms of resident FTES by the Chancellor’s Office during each year’s budget cycle. If the baseline target changes during a given year, a corresponding baseline FTEF position adjustment occurs (positive or the negative). The second is the additional FTES that the campus decides to achieve; these additional FTES are modeled on a year to year basis.

The university budget is based on 40,439 headcount students in 2017-18 CY and **33,066** full-year FTES. The University’s budgeted enrollment plan includes both “**Base**” FTES, and “**Excess**” FTES.

8. **Funding Compensation Increases & Benefits**

**General Salary Increase (GSI)** is an increase to the base salary for represented employees. The effective date of the GSI is prescribed by the collective bargaining agreement as ratified by the CSU Board of Trustees, and may be retroactively applied.

**Funding Policy:** General salary increases for all approved budgeted filled positions will be baseline funded by budget office (if funds are allocated by state/CSU).

**Merit Salary Increase** is movement within a salary range for Management Personnel Plan (MPP) and Confidential employees and are based on meritorious performance as documented by the annual performance evaluation. The effective date and merit compensation pool is approved by the Chancellor, and may be retroactively applied.

**Funding Policy:** Merit salary increases for all approved budgeted filled positions will be baseline funded by budget office (if funds are allocated by state/CSU).

**In-Range Progression**

An In-Range Progression is a permanent salary increase to a staff member’s base salary, made within the existing salary range established for the classification, or within the skill level sub-range for classifications with skill levels.

**Funding Policy:** Such an increase is funded from departmental budgets. Central funds cannot be used to fund in-range progressions.

**Position Reclassification**

The classification review process is designed to ensure positions are clearly and properly classified in relation to classification standards. A recategorization is a change in classification that occurs due to changes in duties and responsibilities of the position. This may occur when an existing position becomes vacant and is reviewed for recruitment purposes, or when it is believed that changes have occurred in an occupied position.

**Funding Policy:** Classification changes are generally funded from departmental budgets. Central funds cannot be used to fund Employee Benefits.

**Employee Benefits**
Approved budgeted positions receive funding for benefits. Benefits will be allocated automatically from the university to the department level. In order to receive employee benefit cost allocation, the position must be identified and flagged as ‘Approved’ in the Position Budgeting and Planning System (PBPS).

In order to ensure university’s benefit funding is maintained at an adequate level, a benefit reconciliation of actual salary expenses versus budgeted salary will be performed at the end of each fiscal year.

When a department uses operating expenditure (OE&E) funds to create a position that requires benefits to be paid (i.e. shifting OE&E expenditure budget to salary and wages), or to fund a salary increase (i.e. increases not funded via the university’s compensation pool) the department must also set aside sufficient money to fund related benefit costs. Funds will be moved from the respective department initiating the budget transfer to the university-wide benefit pool based on the applicable benefit rate at the time of transfer. The current benefit rates are 46% for staff/management and 39% for faculty positions. This rate will be re-evaluated and adjusted every year.

Reassign Positions

Funding for reassigned positions will be transferred based on mutual agreements between divisions.

Split Positions

Split funding provides the capability to charge a position to more than one funding source by assigning percentages. The split funding can be identified on the Position Action Form to create new positions or update an existing position.

- CMS Position number must be on the PAF document.
  - The position number should be unique to the job being split. If it is a shared position, the Budget Office will determine an appropriate alternative to set up the split funding.
  - Position numbers can be found by running ‘Positions by Department, All’ query under CSUFHR/HR Inquire/Queries in PeopleSoft (HR). This report includes active and inactive positions as well as filled and vacant positions.
  - If a permanent employee is moved from a permanent position line to a temporary assignment, a temporary position line will need to be created. In this case, the FTE and salary amount of the permanent position (in home department) will remain the same, however, since permanent employee may be returning to the home position, the FTE and the salary amount of the permanent employee (in temporary position) should be identified and budgeted in Planning and Budgeting System as ‘To Be Hired/Replacement’). If this is a permanent reduction of employee time base, then the FTE and the salary amount of the permanent FTE position may be adjusted.
Appendix B: Budget Review Certification Form

CERTIFICATION

In compliance with Budget Policy 1801, I certify that I have reviewed the information provided in Quarterly Budget Management and Position Management Report(s) for the:

2nd quarter Review __________ 3rd Quarter Review __________ of Fiscal year ________

Based on my review of the information, I confirm that:

1. Expenditures are appropriate and accurate
2. Funds are expended for the purposes, and within the time periods intended
3. Baseline (permanent) funding will be in place for all permanent employees by the end of fiscal year. If there are anticipated budgetary salary structural deficits, documentation of planned action (Appendix C) for resolving this issue before end of fiscal year will be provided to Resource Planning and Budget.
4. Expenditures will not exceed available resources by the end of fiscal year

Name: ____________________________  Title: ______________________________

Signature: ______________________  Date: ________________________________
Appendix C: Deficit Action Plan Form

In compliance with university’s Budget Policy 1801, I acknowledge that a budgetary deficit of $______________ is anticipated from ______________ to ______________.

FINANCIAL ACTION PLAN

The following Action Plan will be implemented for resolving this issue before end of fiscal year:

Name: ____________________________  Title: ______________________________

Signature: ______________________  Date: ______________________________