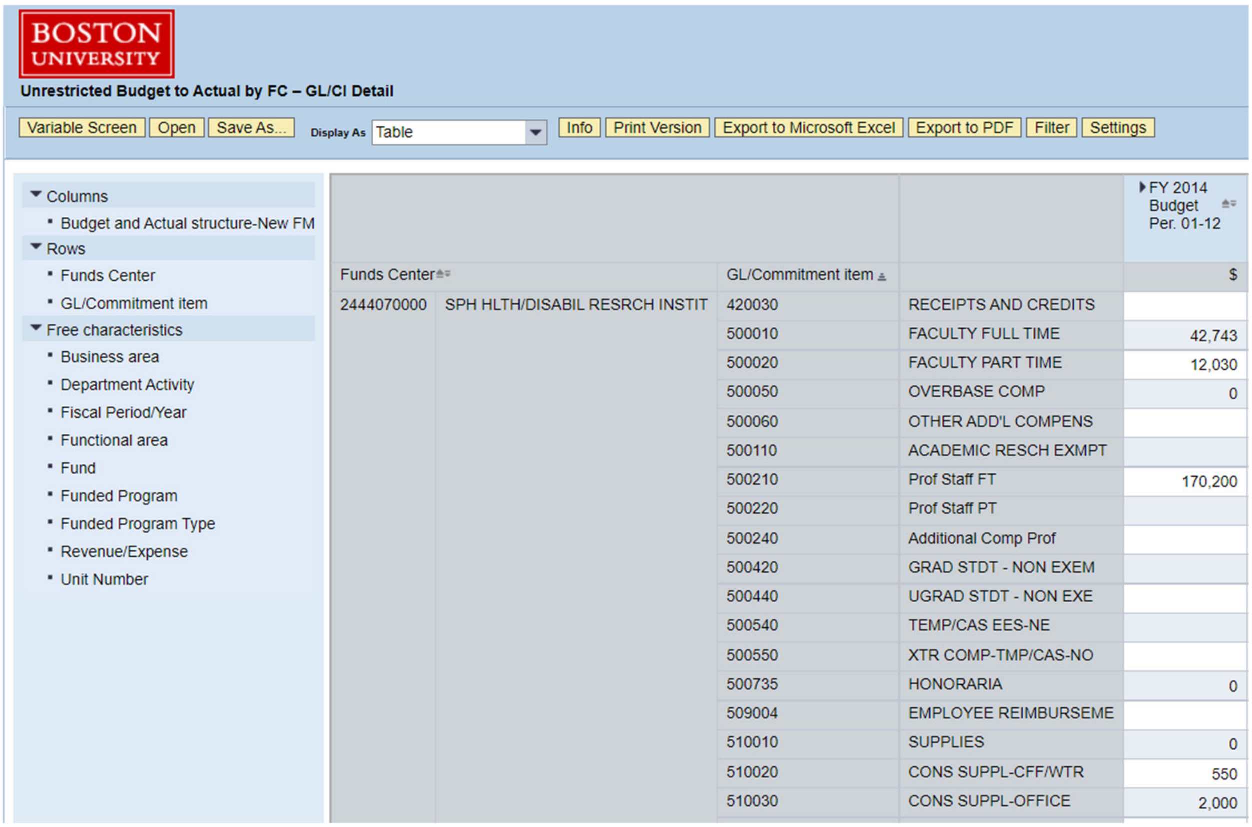
This document provides an overview of the budgeting process for faculty salaries and provides instructions related to the charging of salaries in a variety of situations.

In SAP, there are two budgeting systems. The two are correlated and that relationship will be explored later in this document.

The first is the funds management budget. You are probably most familiar with this one. A sample report can be seen below



BOSTON UNIVERSITY

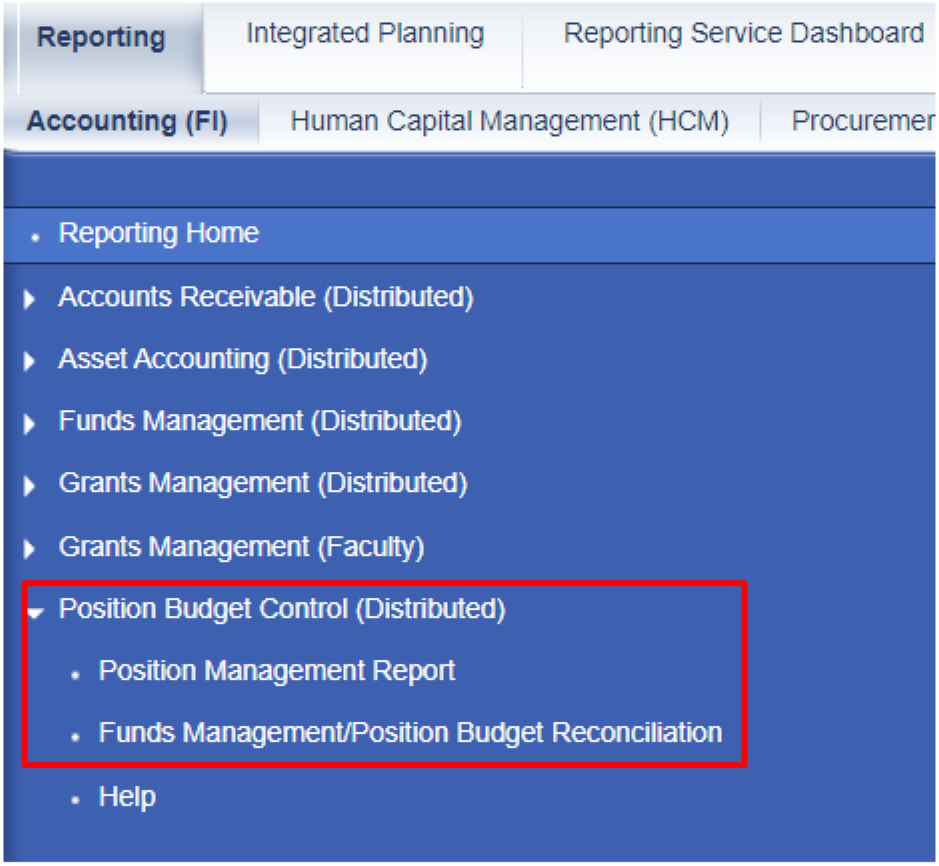
Unrestricted Budget to Actual by FC – GL/CI Detail

Variable Screen | Open | Save As... | Display As: Table | Info | Print Version | Export to Microsoft Excel | Export to PDF | Filter | Settings

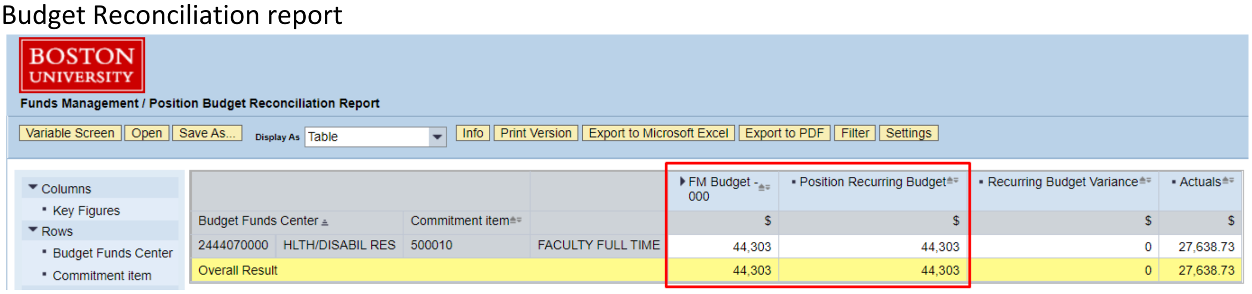
- Columns
  - Budget and Actual structure-New FM
- Rows
  - Funds Center
  - GL/Commitment item
- Free characteristics
  - Business area
  - Department Activity
  - Fiscal Period/Year
  - Functional area
  - Fund
  - Funded Program
  - Funded Program Type
  - Revenue/Expense
  - Unit Number

Funds Center		GL/Commitment item		FY 2014 Budget Per. 01-12 $
2444070000	SPH HLTH/DISABIL RESRCH INSTIT	420030	RECEIPTS AND CREDITS	
		500010	FACULTY FULL TIME	42,743
		500020	FACULTY PART TIME	12,030
		500050	OVERBASE COMP	0
		500060	OTHER ADD'L COMPENS	
		500110	ACADEMIC RESCH EXMPT	
		500210	Prof Staff FT	170,200
		500220	Prof Staff PT	
		500240	Additional Comp Prof	
		500420	GRAD STDT - NON EXEM	
		500440	UGRAD STDT - NON EXE	
		500540	TEMP/CAS EES-NE	
		500550	XTR COMP-TMP/CAS-NO	
		500735	HONORARIA	0
		509004	EMPLOYEE REIMBURSEME	
		510010	SUPPLIES	0
		510020	CONS SUPPL-CFF/WTR	550
		510030	CONS SUPPL-OFFICE	2,000

There is also a position budget system. In the SAP, each person occupies a position. A person has a SCD (salary cost distribution), and the associated position has a budget cost distribution. The budget distributions can be viewed through the position budget control group of reports



The position management report lists each position and the budget distribution(s). The Funds Management/Position Budget reconciliation compares the total of the position budgets to the funds management budget by GL. For example if your unit has 2 full time faculty each with a salary of 100K and each with 22.15% salary coverage from your department budget, then the total position budgets is (100K*22.15%)+(100K*22.15%)=44,303K. Below is a screen shot of the Funds Management/Position Budget Reconciliation report



In the above example the funds management budget is in alignment with the position budget. If a faculty in the above scenario were to receive a salary increase, then the column "Position Recurring Budget" would be increased and there would be a variance to the "FM Budget". There is a reconciliation done centrally, and funds management budgets are adjusted accordingly.

Not all employees occupy budgeted positions. For instance, students and temporary staff do not have position budgets. The employees who are position budgeted are those charged to GLs 50010, 50020, 500100, 500110, 500210, 500220, 500250 and 500260. Just for completeness I will mention staff. For most cases a staff member is either grant funded, or school funded. The budget is therefore only one line. The reason it's only one line is because we do not budget to individual grants. We use a dummy code to identify grant coverage which is 9559999990.

Faculty budgets are much more complex. Faculty coverage plans begin with draft data loaded into the annual review system and are finalized by the department chair. Below is an example from the faculty annual review system.

How do you anticipate allocating your time at SPH during the upcoming year?					
		DRAFT (based on SPH data)	Revised (Proposed by Faculty)	Final (Completed with Chair)	Brief description of activities
		If none please enter 0			
*	% SPH Teaching	22.5	22.5	22.5	Spring: EH851 (15%); Fall: PH737 (7.5%)
*	% Research/Scholarship	67.5	67.5	67.5	External funding target. Estimated as: Overall %FTE - sum of %FTE on all other activities
*	% Service (external) and Citizenship (internal)	10	10	10	
*	% SPH Administration	%	0	0	

Draft data is loaded by the faculty resources office in collaboration with the Associate Dean for Education. The loading of draft data happens in early January. In the screenshot above, the school funding is 22.5%+10%. The position budget combines those two amounts and has 32.5% coverage from the academic department.   Below this paragraph is a screenshot of the position management report illustrating the above example. The position management report would normally display names, but the name has been removed for privacy.

Budget Commit item		Position		Budget Funds Center		Budget Funded Program		Percent Time	Position Budget % (Split)	Current Employee Salary	Position Recurring Budget	Unrestricted Budget	Sponsored Budget
										$	$	$	$
500010	FACULTY FULL TIME	50042349	ASTP	2442470000	SPH ENVIRONMENTAL HEALTH	9559999990	DEFAULT FOR GRANTS TBD	100.00	67.50	83,355	83,355		83,355
						FUNDED_PROGRAM_NR	Funded Program not relevant	100.00	32.50	40,134	40,134	40,134	
Overall Result								100.00	100.00	123,489	123,489	40,134	83,355

Later in the Spring there is another adjustment to align the position budgets with the final chair approved effort which in some cases may differ from the draft data. The goal for the remainder of the fiscal year is to keep the position budgets in alignment with faculty expectations. For example, if you know of a faculty member who adds or drops a course then there should be an adjustment to the position budget. This is beneficial at the department and faculty level to know what salary coverage expectations will be used to evaluate the faculty member in their review and also when it comes time to calculate any incentive payments.

Moving on to the charging of salaries, there are several scenarios that can present, and the table below illustrates how to handle each one. There is one exception that I should mention first. The table does not apply to faculty recruits. During the initial term all school funding should be charged to the faculty recruitment account which ends in 20.

Faculty Salary Charging logic for non-recruits is as follows:

Funding Situation	Charge to
Teaching/Admin/Service	Main department account ending in 00
Over the cap/include K awards	Charge to account ending in 11
School funding that exceeds budget	Bridge account ending in 10
Grant funding but account number has not been setup	Holding account ending in 12
Approved Leave of Absence (Sabbaticals, Maternity Leave etc.)	Charge to 2446500000

When salary cost distributions are submitted, they are checked centrally against budget. The primary check is that the salary charged to the department account for the current month does not exceed the budget.   It is possible that an individual faculty will need bridging for a particular month, but overall, for the calendar year may have coverage that exceeds expectations. We are simply addressing how to administer coverage shortfalls as an accounting issue, but that doesn't mean it will be a performance issue for the faculty member. It is best to administer coverage dispassionately and at the end of the year the chair will review the entire years' worth of data along with many other considerations that will factor into the Annual Faculty.