

Attachment G -Additional Instructions for Self-Support Units and Self-Support Tracking Sheets

UMCP FY 2019 Projections and FY 2020 Working Budget

Development for Self-Support Units

This process incorporates an estimate of current year (FY 2019) operating results, the development of next year's budget (FY 2020) and approval of FY 2020 fee increases not previously approved by the University. Your submission should include an executive summary and other narratives as necessary explaining significant aspects of your budget or program. The attachments for this process will be sent out in supplemental instructions.

I. FY 2019 CURRENT YEAR PROJECTIONS

Each unit is requested to provide a projection of current year financial operations.

Units that have budgeted facilities renewal and have not yet expended these funds, should transfer the remaining balance into plant fund accounts by fiscal year end. This will serve to reserve these funds for your eventual capital expense.

II. FY2020 WORKING BUDGET

The salary setting and budgeting guidelines in the main instructions also apply to self-support units. The FY 2019 fringe benefit rates are included in the main instructions **IV-Salary Budgeting, C-Fringe Benefits**. The additional instructions, specific to self-support, are:

A. **New Positions**

Please refer to the general working budget instructions, section **IV Salary Budgeting** in regards to requesting additional FTEs.

B. **Administrative Overhead:**

Administrative Overhead for FY 2020 is 5.0% of budgeted expenditures minus budgeted bond debt service (subcodes 4935 and 4940), capital set-aside and facilities renewal amounts (object code 5xxx), Fuel and Utilities (object code 35xx), Purchase for Resale(3928), Food for Resale (3936), Amusement Tax (4945), ICA Student Aid (4600), and transfers (object code range 9900-9999). Actual charges will be based on actual expenses. The administrative overhead amount is reflected as a non-mandatory transfer in object code 9934.

C. Plant Maintenance and Utilities:

Amounts for units allocated from Physical Plant are provided on Attachment G2.

D. Insurance:

The following insurance costs need to be included in your budget:

1. Tort/OE Liability of \$57.31 per budgeted FTE should be reflected in subcodes 4901 respectively.
2. Property Insurance is calculated on replacement value of buildings and should be budgeted in object code 4901 (\$240.00 per \$1 million of replacement value). The calculated amount for your unit is included on Attachment G2.

E. Capital Improvements:

1. Bond Debt Service amounts are budgeted in object code 9901 if paid directly from the unit's operating budget and object code 9958 if transferred to the unit's plant fund account for payment. Bond debt service for mandatory and non-mandatory fee supported units is listed on Attachment G2.
2. Capital Set-Aside transfers should be budgeted in object code 9958.
3. Facilities Renewal Funds are amounts dedicated to major repairs and replacement of existing building systems as they reach the end of their useful life. For those units that have developed a facilities renewal plan in conjunction with Facilities Management (FM), the annual cost of implementing the plan should be reflected in your FY 2020 Working Budget. For those units that have not developed such a plan, please contact FM to acquire an estimate of the required annual facilities renewal reserve based on 2% of the replacement cost. Facilities renewal should be budgeted in object code 5130 if paid directly from the unit's operating budget or 9958 if transferred to the unit's plant fund facilities renewal account.

F. Revenue Guidelines:

1. Major revenue Units should provide a supporting schedule to provide detail for significant changes in FY 2020 Working Budget revenue.

Changes in the FY 2020 fees charged for goods and services that have not been approved by the University should be noted by attached documentation explaining the reasons for the changes.

2. FY 2020 Headcount Chart (Revenue Based)

The original FY 2020 head counts for the setting of mandatory fees have been revised. The headcounts are shown below.

	Original FY 2020 Headcount	Working Budget FY 2020 Headcount	Difference
<u>Undergraduate</u>			
Full-Time	24,730	26,857	2,127
Part-Time	1,129	1,129	0
Sub-Total U/G	25,859	26,857	2,127
<u>Graduate</u>			
Full-Time	2,460	2,460	0
Part-Time	5,330	5,330	0
Sub-Total Grad	7,790	7,790	0
Total	33,649	35,776	2,127

G. Information Technology

1. Self- Support and Auxiliary data rates contact DIT directly.

H. New Fringe Benefits Guidelines:

As part of the University's Budget Model Redesign initiative, the University will begin charging

fringe costs using pooled fringe rates based on salary object codes rather than actual fringes.

The new fringe rates include the following benefits: FICA (social security), unemployment, workers' compensation, health insurance and the retiree health surcharge, retirement, terminal leave payout, and employee assistance. The fringe rates do not include Tuition Remission. Please refer to the following website for more information on the fringe benefit rate project: <https://faculty.umd.edu/fringe/>.

For self-support accounts in BPM, proposed 27XX fringe budgets have been zero'd out with the exception of tuition remission object codes 2775 and 2776. **Units will need to zero out any proposed budgets in object code 1000 as leave payout is included in the new calculated fringe rates.**

BPM WB has a new fringe rate calculator available to assist users in self-support units budgeting the new fringe rates on their accounts. The new fringe rate calculator will create four new object codes and budget fringes as a percentage of the wage budgets in groups of object codes. The fringe rate calculator does not factor in turnover so it may be appropriate to reduce those calculated fringe budgets for faculty and for staff by 2-4% for a more realistic budget.

The following four fringe rate object codes have been created in BPM and will appear with budgets when you click the fringe rate calculator:

- **2740 - Faculty Fringe Rate 29.3%** of OC's 1011, 1012, 1015, 1016, 1018 – Includes 12-month and academic year faculty. Excludes contractual and hourly faculty (includes acting and admin increments)
- **2742 - Staff Fringe Rate 35.4%** of OC's 1013, 1014 -- Includes exempt and non-exempt staff
- **2744 - Limited Benefits Employees Fringe Rate 24.3%** of OC's 1020, 2067, 2068, 2068, 2071, 2072, 2073, 2090 -- Includes contractual faculty and staff and graduate assistants
- **2746 - Legislated Employees Fringe Rate 5.4%** of OC's 2074, 2075, 2080, 2081, 2100, 2120 -- Includes students with hourly wages, and most faculty/staff additional pays

*These rates are currently being negotiated with DHHS and are subject to modifications prior to implementation. They should be used as an estimate for budgeting purposes.

Please note that if you change proposed salary budgets, the fringe rate calculator will need to be re-run to reflect those changes.

If any questions arise, please contact Dr. Michael Simms on extension 52107.