



# PRAIRIE VIEW A&M UNIVERSITY

A Member of the Texas A&M University System

March 1, 2010

OFFICE OF BUSINESS AFFAIRS MEMORANDUM No. FY 10-55  
Distributed via Campus E-mail

MEMO TO: President Wright and All Vice Presidents, Deans  
Department Heads, Directors and Account Managers

FROM: Mary Lee Hodge, Senior Vice President for Business Affairs

RE: 2010-2011 Budget Preparation Guidelines

It is time to prepare our operating budgets for the 2010-2011 fiscal year. The State of Texas has asked all state agencies, including Prairie View A&M University, to submit plans for reducing the General Revenue funding by 5% for FY2010 and FY2011. For FY2010, the University was able to identify funding from unfilled positions, salary savings, and funding from unallocated salary line items to address the budget reduction request from the State except for Special Item funded accounts. Other than Special Items, there will not be a need for a mid-fiscal year budget cut. Due to the stand-alone nature of Special Items, those accounts will need to absorb a 5% budget reduction.

For the FY2011 budget, planning for the 5% General Revenue reduction must be built into the operating budget. As such, in order to meet the State requirement, University departments will be facing budget cuts of approximately 2%. Again, due to their stand-alone nature, Special Item funded accounts will face a 5% budget reduction. The Texas A&M University System Board of Regents has deferred its decision on tuition and fees until the May board meeting. At this time, the budget process will not include a merit program. A final decision on any such program is deferred until late fall 2010 and early spring 2011 and will be dependent upon enrollment and funding capabilities. As we proceed with our budget preparation, all should be aware that adjustments may be required at the central administration level once tuition and fee rates are known.

Your FY2011 budget packet contains the following items:

1. An Excel Budget spreadsheet for each unit. Training on the new format will be provided for Academic Units by Betty Ricks-Harris and for Administrative Units by Dianne Alexander. The Excel Budget spreadsheet is composed of a number of worksheets with each noted on the Tab at the bottom of the screen. The spreadsheet file includes:
  - a. A summary worksheet,
  - b. A projected balance worksheet,
  - c. A salary detail worksheet,
  - d. A budget reduction worksheet, and
  - e. A critical needs request worksheet.
2. A Budgetary Data Sheet which contains the amount of the budget reduction for the unit.
3. A Fixed Cost Schedule.

The budget activity calendar is listed below. Please note that the 901 forms will be distributed during the training sessions. Due to the nature of the new budget submission format, it is imperative that all units attend the training sessions.

Budget Activity Calendar

March 1, 2010	Budget packets distributed. Recipients may want to print a copy of the document and bring it with them to the training session as copies will not be distributed there.
March 3, 2010	Administrative Unit Budget Preparation Training (Trainer=Diane Alexander) 8:30 am – 11:30 am 1:30 – 4:30 pm Place: Delco, room 127
March 4-5	Academic Unit Budget Preparation Training (Trainer=Betty Ricks-Harris) 8:30 am – 11:30 am 1:30 – 4:30 pm Place: Delco, room 127
March 29, 2010	Completed budgets should be emailed by the Dean/Department Head to the appropriate President/Vice President for their review with a copy to the Budget Office at <a href="mailto:Budgets@pvamu.edu">Budgets@pvamu.edu</a> .
April 05, 2010	President/VP's send recommended budgets to CFO.
April 12-16, 2010	Academic Budget Hearings with Selected Units. Outlook meeting invitations will be sent from Ms. Sandles to the appropriate Department Heads.
April 19-23, 2010	VP Budget Hearings with Selected Units. Outlook meeting invitations will be sent from Ms. Sandles to the Vice Presidents.
April 26, 2010	CFO obtains approval of Dr. Wright and submits approved Budgets to the Budget Office for entry into FAMIS.

General Guidelines

1. Please double-check that the salary detail information on your spreadsheet is correct and make any changes on the Excel Budget spreadsheet tab that contains the salary details. It is recommended that you use the Form 901, obtained in the Training session, as a verification tool. Remember, the salary detail information is to be entered in the Excel Budget spreadsheet separate tab. The salary total from that tab will feed to the FY2011 summary budget tab.
2. Many allocations for FY2011 will be at level funding. However, some allocations have been adjusted. Tuition and fee revenue, including graduate incremental tuition, may have been adjusted to reflect this year's enrollment.
3. We have included a Budget Reduction worksheet as a separate tab in the Excel Budget spreadsheet. You are requested to show, in 1% increments, up to 2% how you would recommend changes to your budget be implemented. Please use due care in the preparation of this document as there will be budget reductions. This is not an exercise. Your response will be used by the Budget Office to record the budget reductions.
4. Longevity pay will be paid to eligible employees at the rate of \$20 per month for each two years of lifetime service credit.
5. Projections of known fixed costs by account are provided to assist you in preparing your budget. Accounts that pay the Overhead Cost Recovery Assessment will not be included on the Budget Reduction Worksheet since the reduction to these accounts will be effected by an increased Overhead Cost Recovery Rate from 3% to 5%. This FY2011 increased amount is reflected on the Schedule of Fixed Costs. Since the Fiscal Office will encumber these funds at the beginning of the budget year, please ensure that you have adequately provided for these costs in your budget.
6. Telephone expenses for your unit(s) will be encumbered on September first. During FY2011 fiscal year charges will be adjusted to actual usage on a quarterly basis.

7. Unfilled positions:
  - a. Unfilled positions should be shown in a lump sum in the appropriate unallocated faculty salaries line or unallocated staff salaries line.
  - b. Graduate assistants, student workers, and other hourly wage workers should be shown in the appropriate unallocated line on the Operating Budget Form.
  - c. Faculty promotion raises will be added to the applicable budget after the budget preparation process is complete. Academic units should not include those amounts in their unit budget.
8. The President and each Vice President may reallocate budgets within their respective area of responsibility. However, the total budget for each Executive must stay within his/her total allocation. Such reallocations should be communicated to the Vice President for Business Affairs, and she is authorized to make whatever changes are necessary to make the submission compliant with this funding level directive.
9. All salary savings from vacant positions will be placed into the University Contingency Fund. This fund will be used to address unexpected events and expenditures subject to the approval of the Vice President for Business Affairs.
10. Maintenance and Operation and Travel accounts will remain in the designated fund group. In most cases, E&G accounts should be used for salaries only. The exceptions to this include special item funded accounts, ADI accounts, lab fee allocation accounts, and accounts funded with the juvenile crime fee.
11. GIT (Graduate Incremental Tuition) and the Center for Juvenile Crime Fee accounts must bear the benefit costs for all salaries and wages on the account.
12. Student Travel costs are not permitted on E&G accounts.

#### Local Account Budgets

13. The new Projected Beginning Balance worksheet, a separate tab within the Excel Budget spreadsheet, will require more detailed information in estimating beginning balances. It will be required that each local account's estimated beginning balance be calculated and shown on the budget document. To do this, the responsible manager should look at the current account balance as of February 28, 2010, add any projected revenue through August 31, 2010, and deduct all anticipated expenditures through August 31, 2010. Spending authority is based on this figure. If the projected beginning balance is expected to be problematic, the Budget Office will encumber that balance now to ensure that the proper carryover amount is maintained. If the carry forward is less than projected, the spending authority will be adjusted downward. Projected beginning balances can only be used for one-time expenditures. Lastly, if unrealistic income goals are proposed, the budget will be adjusted downward or disallowed.
14. Local student fee income must be estimated based on projected enrollment. Estimates for major fees have been calculated by the Budget Office and are included in the budget packet. Units are encouraged to contact the Budget Office for assistance in their fee estimates for FY2011. Projections of other income must be prepared and included in your budget submission. The Budget Office will compare FY 2011 Submission and adjust if Projection exceeds Current Year (CY) Revenue.
15. Student Government Association (SGA) allocations will be distributed at a later date.
16. Employee benefits:
  - a. Local account budgets should include allowances for employee benefits as follows:
    - i. 28% of gross salaries for budgeted positions, and
    - ii. 10% of gross wages for temporary hires in non-student positions.
  - b. Part-time employees who are employed  $\geq 50\%$  time will receive only one-half of the state contribution for group insurance. Retirees will receive the full time GIP rates regardless of their percent effort at the time of retirement. Active and retired employees who sign and submit a document to their employer indicating that they have health insurance coverage from another source are authorized to use the "Waiver" category (one-half of "employee only" state contribution) for optional insurance. Employees hired on or after 9/1/2003 are subject to a 90-day waiting period before they receive the GIP contribution. Individuals are not entitled to one-half the GIP contribution to purchase optional insurance if they are in the "waiver" category during this period.
  - c. At this time, we do not have the final breakdown of benefits costs. For planning purposes, we are providing the following estimates. When final costs are known, budgets will be adjusted accordingly.

Social Security and Medicare Tax	7.65%
Retirement – TRS	6.644%
ORP (Employed on or before 8/31/95)	8.50%
ORP (Employed after 8/31/95)	6.40%
Leave Sum Reserve	1.00%
Workers' Compensation Insurance	0.45%
Unemployment Compensation Insurance	0.10%
Group Insurance Premiums (monthly, full-time employees)	
Employee Only	\$385.82
Employee and Children	\$499.57
Employee and Spouse	\$567.81
Employee and Family	\$658.81
Waiver	\$192.91
Group Insurance Premium (50.00%-99.99% part-time employees)	
Employee Only	\$192.91
Employee and Children	\$249.79
Employee and Spouse	\$238.91
Employee and Family	\$329.41
Waiver	\$96.46

Your adherence to these guidelines and deadlines is crucial in order for Prairie View A&M University to meet deadlines set at the System level. Any questions concerning allocations should be directed to Mary Lee Hodge, Vice President for Business Affairs (X2150 or [mlhodge@pvamu.edu](mailto:mlhodge@pvamu.edu)). Questions from the academic units pertaining to the preparation of documents, deadlines, etc., should be directed to the Betty Ricks-Harris in the Office of the Provost (X2168 or [baricks@pvamu.edu](mailto:baricks@pvamu.edu)). Questions from non-academic units pertaining to the preparation of documents, deadlines, etc. should be directed to the Budget Office at [budgets@pvamu.edu](mailto:budgets@pvamu.edu) or X2208.

xc: Rod Mireles, Associate Vice President for Financial Administration  
 Betty Ricks-Harris, Director for Academic Financial Affairs  
 Diane Alexander, Supervisor of the Budget Office