

TO: P1s and P2s
FROM: Pat Russell, Budget Office
RE: FY19 Budget Updates

As we prepare to move forward to FY19, we would like to share the following budget-related updates with regard to the coming fiscal year. You also will be able to find this information posted on our office website shortly, <http://www.bc.edu/offices/budget/>.

For P1s and P2s

Final salary budgets from Merit Review were loaded to Financials on 5/17 and the balances in positioned salary lines and reserves have been updated to reflect any changes. Other non-positioned salary lines grew at the standard salary growth rate of 2.5% this year. This would include graduate and undergraduate student salary lines.

As has been the practice in recent years, overtime continues to be budgeted in account 54030 where appropriate. Overtime charges are applied to this account as long as OT earnings codes have been used when submitting hours in the Kronos system. This will help to isolate and identify overtime costs even if funding has not been established.

Fringe Benefit costs will be budgeted at the rate of 37.5% this year for employees who are fully benefits eligible. This is a slightly lower rate than last year. It is important to keep this in mind when budgeting for new positions, whether they are permanent or temporary.

Given the necessity for ongoing expense management and control, most operating lines were held flat. This included General Operating (64001), External Services (64002), Printing (68300), PCard (68370) and Travel (68900) among others.

PCard transfers for FY18 & FY19 will be systematically shut off from May 25th until June 1st to ensure the proper balance is getting picked up by the bank for the appropriate fiscal year. This does not affect other expense lines. Please note that departments whose FY18 PCard lines are overrun after final journal postings will have their FY19 budget reduced by the amount of this overrun if there are not sufficient offsetting balances across all other operating lines.

The new Student Account system has been implemented. Most of you have been through training and are familiar with the new award posting processes. Original tuition aid budgets are in place for FY19 and will be updated through the year if transfers are submitted.

Other Reminders:

- For those who have not permanently funded the cell phone allowance line, new year funding needs to be provided, as payments will automatically continue.
- Carry-Forward amounts for FY19 for funds 110, 111, and 112 will not be in place until late June. This is to allow time for all expenses to post from FY18. If you have a need to spend against chartstrings that are funded ONLY by carry forward dollars, please transfer funding temporarily from another department source and return that funding when carry forwards have been set up. Please do not process June salary hires against an alternate chartstring. Move dollars, not people.

- The new year is the perfect opportunity to review department chartfield data to see if key attributes need to be updated in our files. We have been finding that many of these attributes are dated as we try to make use of this data for various purposes. The most common data requiring update are “department manager”, “reports to department” and “department location”. There is a query in Financials which permits you to review this information:
BC_KK_DEPT_ATTRIB. Once reviewed, if you need any of these three department attributes updated, please forward your request to your P1. The P1 should then forward the approved request to Chuck Adams in our office at adamscs@bc.edu (ext. 3384) who will update the attributes.

For Salary Administrators

Each department’s fringe allocation line (70014) was initially calculated based on the salary amounts loaded in April. Now that final salary budgets are loaded, the FY19 original fringe allocations will be adjusted to the correct amount in the near future. Fringe allocation budgets continue to be updated monthly throughout the fiscal year as further temporary and permanent salary actions occur.

Information regarding various salary pools such as each area’s Salary Reserve (market/equity, turnover actions, & merit balancing) and Probationary Reserve was communicated to senior administrators by Compensation in their FY18-19 Salary Letter sent out in March. In general, existing dollars roll forward for these reserves and there is also new funding provided where appropriate. This year, the administrative_staff market/equity increase added to salary reserves was limited to .25% due to University budgetary constraints. Reserve balances are viewable in People Soft HR under Organizational Development/Position Budgets/BC Reserve Account. If you have a specific need to see how a reserve balance was determined, please contact the Budget Office and we can provide that detail.

A proposal to increase the state’s minimum wage to \$15/hour in four annual increments beginning in January 2019 has come before a Massachusetts legislative committee. If not approved, it may end up as a ballot question in November. It is difficult to predict whether this will have enough support for an increase from \$11 to \$12 in January 2019. There is a modest student salary pool available to assist departments unable to absorb another increase in FY19 in the standard student salary budget increment or through a reduction in hours. Instructions on how to request funding are available on the Budget Office website.