Budgeting by Position

Purpose

These instructions are designed to explain the process
used to monitor salary budgets by position.

Budgeting by Position

This training document is designed to share the tools that can be used to track budgets by position and help determine where budget for a position does not match the position costing.

Note: Throughout this document are hyperlinks that lead to websites, other documents, and other locations within this document. All links are **blue**. Rather than repeat training information already in other documents, we have linked this document to other pertinent documents. So, you can print this one for reference but it was designed to be interactive and you will lose that functionality if you only print and review your hard copy.

We currently budget by position for the following Commitment Items:
- **670080 – Faculty Salaries**
- **670081 – Graduate Student Salaries**
- **670084 – Faculty Salaries**
- **670100 – Staff Salaries**

Required Security:

SAP security is required. Security forms may be found by clicking on the following link:
http://www.tr.txstate.edu/forms/sap-forms.html

Necessary Reports/Transactions (please use hyperlinks to view documents):
BW/Bex Analyzer Reports:
- HR/FM Salary Budget Comparison

SAP Reports:
- Budget to Actual-ZBUDACT
- Salary Reconciliation-ZFM_SAL_RECON
- Budget Entry Documents –FMEDDW
- Position and Salary Budget Report-ZPSBRPT

SAP reports are on a Fiscal year basis and include temporary payments, such as, teaching overloads, per course appointments, and stipends.

Overview of Basic Process:
- Beginning FY09 the Budget Office enhanced the budgeting process by creating mechanisms that now allow us to budget by position. Account managers should be looking for two things when trying to determine if their departmental salary budgets are budgeted correctly:
  - **First**, account managers should look at their annual PERMANENT salary budgets and ask themselves, " Are my salary budgets budgeted correctly for my employees on an annual basis?"
  - **Second**, account managers should look at their current fiscal year budgets. If you are budgeted correctly on an annual basis but your budget is still over expended or showing a surplus budget, ask, "Did some TEMPORARY action occur this fiscal year which made the budget and the HR data go out of line?" Examples of this would include temporary payments such as teaching overloads, per course appointments, and stipends.
- The reports listed above will be used to research both your PERMANENT (annualized basis) and TEMPORARY (current fiscal year basis) budgets.
- In many cases, if you are correctly budgeted on a permanent basis you will most likely be correctly budgeted in the current fiscal year.

Step 1: Permanent Salary Budget Analysis:

BW/Bex Analyzer - **HR/FM Salary Budget Comparison**

Information:

- This report is used to track positions and ***permanent*** budget for annually budgeted accounts.
- This report is for the funds that end in the fiscal year.
- This report updates nightly, picking up any HR and/or budget changes that have been entered in SAP.
- This report is specific to the budgeted salary commitment items and the related group items.
    - **Staff Salaries:**
        - 670100 Staff Salaries
        - 670198 Staff Salary Group Item
    - **Faculty Salaries**
        - 670080 Faculty Salaries
    - **Faculty Salaries-Adjunct**
        - 670084 Adjunct Salaries
        - 670093 Faculty/Adjunct Salary Group Item
    - **Graduate Students**
        - 670081 Graduate Students
        - 670094 Graduate Students Group Item

To Review this Report:
- Open the **BW/Bex Analyzer**
- Open the query "HR/FM Salary Budget comparison"
- Enter the following:
    - Funds center (required)
    - Fiscal Year (required)
    - Fund (optional). It defaults to a range that will pull in all funds associated with your fund center.

When this report is executed, it will have the following columns:

- Funds Center and Funds Center Spell-Out
- Fund and Fund Spell-Out
- Commitment Item and Commitment Item Spell-Out
- Position Number and Position Description
- Employee Number (pernr) and Employee Name
- Annual Salary Cost (HR data)
- Budget for the Position (FM data)
- Difference

If a position is filled there will be two rows for the position. One will be the Annual Salary Cost for the employee in the position and the other will be the Current Budget for the position. Each position has a result row. The result row shows you the difference between budget and salary cost. This lets you see whether you have enough budget for the positions as they are currently entered in HR, so you know you need to process a budget adjustment or change something in HR.

	Position		Employee		Annual Salary Cost	Current Budget	Difference
Faculty Salaries	50001674	Assoc Prof	6486	Dr. Walt Disney	$ 25,285.32	$ 0.00	-$ 25,285.32
			#	Not assigned	$ 0.00	$ 44,249.00	$ 44,249.00
			Result		$ 25,285.32	$ 44,249.00	$ 18,963.68
	Result				$ 25,285.32	$ 44,249.00	$ 18,963.68
Graduate Student Sal	50011993	Grad Ra	#	Not assigned	$ 5,076.00	$ 0.00	-$ 5,076.00
			Result		$ 5,076.00	$ 0.00	-$ 5,076.00
	Result				$ 5,076.00	$ 0.00	-$ 5,076.00
Staff Salaries	50000972	Sr Adm Ast	725	Ms. Mini Mouse	$ 49,535.28	$ 0.00	-$ 49,535.28
			#	Not assigned	$ 0.00	$ 49,535.28	$ 49,535.28
			Result		$ 49,535.28	$ 49,535.28	$ 0.00
	50000983	Dean of Disney	744	Dr. Mickey Mouse	$ 152,648.04	$ 0.00	-$ 152,648.04
			#	Not assigned	$ 0.00	$ 152,648.04	$ 152,648.04
			Result		$ 152,648.04	$ 152,648.04	$ 0.00
	50002512	Admin Ast II	2522	Ms. Daffy Duck	$ 8,510.43	$ 0.00	-$ 8,510.43
			#	Not assigned	$ 0.00	$ 8,510.40	$ 8,510.40
			Result		$ 8,510.43	$ 8,510.40	-$ 0.03
	50003389	Cord, Mic La	3406	Mr. Donald Duck	$ 2,598.45	$ 0.00	-$ 2,598.45
			#	Not assigned	$ 0.00	$ 2,598.48	$ 2,598.48
			Result		$ 2,598.45	$ 2,598.48	$ 0.03
	50003588	Develop Off	2876	Mr. Goofy	$ 55,473.60	$ 0.00	-$ 55,473.60
			#	Not assigned	$ 0.00	$ 55,473.60	$ 55,473.60
			Result		$ 55,473.60	$ 55,473.60	$ 0.00
	50004029	Admin Ast II	4011	Mrs. Goofy	$ 10,089.20	$ 0.00	-$ 10,089.20
			#	Not assigned	$ 0.00	$ 9,934.63	$ 9,934.63
			Result		$ 10,089.20	$ 9,934.63	-$ 154.57
	50008832	Acad Bud Spe	612	Mrs. Money Manager	$ 46,442.16	$ 0.00	-$ 46,442.16
			#	Not assigned	$ 0.00	$ 46,442.16	$ 46,442.16
			Result		$ 46,442.16	$ 46,442.16	$ 0.00
	Result				$ 325,297.16	$ 325,142.59	-$ 154.57
					$ 355,658.48	$ 369,391.59	$ 13,733.11
					$ 355,658.48	$ 369,391.59	$ 13,733.11
					$ 355,658.48	$ 369,391.59	$ 13,733.11

Analyzing our example:
- Position 50001674: Has an annual salary cost of $25,285.32 and a budget of $44,249.00 with the result row showing that the position is over budgeted by $18,963.68. Obviously, something is not in line. To research, you want to determine which amount is incorrect—the HR data (probably a split cost distribution) or the budget (too much budget).
- Position 50011993: Is not budgeted at all. The Current Budget column is zero. So your questions are Do I need this position? Or, is this a temporarily funded position?
  - If *temporarily* funded each year, then this is okay and not an error. **Temporary budgets** do not come into this report. Check your **Budget Entry Documents–FMEDDW** transaction to make sure you have received your temporary funding.
  - If the position needs to be deleted, contact HR/Faculty Records to delimit the position.
  - If the position is needed and *not* temporarily funded, then a budget adjustment needs to be done to create the permanent budget.
- Position 50000972: Appears to be correctly budgeted. Salary and Budget data match. Result row is zero.

- Position 50004029: Looks to be under budget by $154.47. Check the PA20 transaction for recent HR actions. If HR data is *incorrect,* then HR data needs to be corrected. If HR data is *correct,* then use the FMBB Budgeting Workbench to process the necessary budget adjustment.

There are a few examples where the result line is not necessarily incorrect if it shows something other than a zero balance:
- Someone is partially funded from a grant.
- A person is temporarily at a different FTE than the position is budgeted.
- Someone has different costing during the nine months of the year than the other 3 months.
- The position is temporarily funded each year. Many GRAs are set up this way.

Finalizing Permanent Budgets:
Continue reviewing the HR/FM Salary Budget Comparison report for each of your accounts.   Make necessary HR corrections or budget corrections.   Once those corrections have been **posted** in SAP, you can wait one day (the report updates nightly) and then run the report again to make sure your corrections fixed your permanent budgets.

Step 2: Current Fiscal Year Salary Budget Research:

If you have checked and corrected your permanent salary budgets by position as outlined above in Step 1 you are now ready to analyze your current fiscal year salary budgets.

Basic Overview of Process:
1.) Look at Budget to Actual-ZBUDACT . Do you have any permanently budgeted commitment item groups that are negative?
2.) Look at Salary Reconciliation-ZFM_SAL_RECON . Use this to research the current fiscal year's encumbrances for budgeted salaries.
3.) Look at Budget Entry Documents –FMEDDW . Use this to research current permanent budgets for budgeted positions.
4.) Compare the Salary Recon (encumbrances) to the FMEDDW (budgets) and look for differences.
5.) Determine if you have an HR master data issue or a budget issue.
   a. Use PA20 to look at HR master data and Position and Salary Budget Report-ZPSBRPT to look at actions that have occurred this year.   Contact faculty records or HR for corrections if the master data is incorrect and causing your problem.
   b. Use FMBB Budgeting Workbench to process budget adjustments if the budget is the problem.

Budget to Actual-ZBUDACT
- Run this report for the account in question.
- Check to see if the four salary line commitment item group total items that are budgeted by position equal zero or are positive.
- If totals are not zero or positive, you need to determine if you need budget or if you have an HR master data problem. At this point you are looking for some sort of temporary action. Examples would be stipends, LWOP, per course appointments, and teaching overloads. Run the Salary Recon Report.

[Salary Reconciliation-ZFM_SAL_RECON](#)
- Check salary encumbrances to determine annual salary.
- Run the report with selection criteria as follows:
    - Summary report
    - Include paid items
    - Fiscal year: run for the entire year
    - Fund
    - Fund center
    - Commitment item

Tip: Select *only* the GL's you are looking for:

Staff Salaries:
- 701000
- 701500

Faculty Salaries
- 700800

Faculty Salaries-Adjunct
- 700803

Graduate Students
- 700801
- 701502

Analyzing the Salary Recon Report:
- You now have a report showing what the system is encumbering for each of your positions for the current fiscal year.
- You may have amounts in the vacant column for some positions. This means the position is vacant or was vacant for part of the year.
- If you add the vacant and filled amounts together you will have the annual salary amount that is being encumbered via HR master data.
- Your next step is to compare this against what you have budgeted for the position using FMEDDW report.

[Budget Entry Documents–FMEDDW](#)
- Determine the budget for each position by running the FMEDDW report.
- Fill in the following parameters:
    - Budget Category = 9F
    - Fiscal Year
    - Fund
    - Fund Center
    - Commitment Items
    - **TIP:** *Select only the commitment item(s) you're looking for.*

Staff Salaries:
• *670100*
Faculty Salaries
• *670080*
Faculty Salaries-Adjunct
• *670084*
Graduate Students
• *670081*

- Sort by the "Text" column to get position numbers together.
  - There are at least two ways to do this:
    1) Select the columns (so they are highlighted as in the picture below).
       Copy the data by using "Ctrl-C".
       Open an Excel spreadsheet and paste the data by using "Ctrl-V".

Year	Doc. Date	Entry Docu...	Document...	Doc. Ty...	Process	Budget Type	Cmmt Ite...	Fund...	Σ Amount LC	Text	Entry Document Header Text
2009	09/01/2008	1000001080	Posted	ORIG	Enter	PERMANENT	670100	NR	49,500.00	50001006	ORIGINAL BUDGET LOAD
2009	09/01/2008	1000001080	Posted	ORIG	Enter	PERMANENT	670100	NR	82,341.00	50001489	ORIGINAL BUDGET LOAD
2009	08/25/2008	1100008182	Posted	BD01	Receive	PERMANENT	670100	NR	3,293.64	50001489 merit increase	3% STAFF MERIT INCREASE
2009	09/01/2008	1000001080	Posted	ORIG	Enter	PERMANENT	670100	NR	101,547.00	50001611	ORIGINAL BUDGET LOAD
2009	08/25/2008	1100008182	Posted	BD01	Receive	PERMANENT	670100	NR	3,046.44	50001611 merit increase	3% STAFF MERIT INCREASE
2009	09/01/2008	1000001080	Posted	ORIG	Enter	PERMANENT	670100	NR	68,343.96	50001756	ORIGINAL BUDGET LOAD
2009	08/25/2008	1100008182	Posted	BD01	Receive	PERMANENT	670100	NR	2,914.32	50001756 merit increase	3% STAFF MERIT INCREASE
2009	09/01/2008	1000001080	Posted	ORIG	Enter	PERMANENT	670100	NR	29,244.00	50002011	ORIGINAL BUDGET LOAD
2009	09/01/2008	1000001080	Posted	ORIG	Enter	PERMANENT	670100	NR	49,500.00	50010606	ORIGINAL BUDGET LOAD
2009	08/25/2008	1100008182	Posted	BD01	Receive	PERMANENT	670100	NR	2,160.00	50010606 merit increase	3% STAFF MERIT INCREASE
									391,890.36		

  2) Export the entire report to Excel by clicking on the "local file" icon.

- Get subtotals by position number.
- Compare the results from the FMEDDW to what you got on the salary encumbrance report to determine which position(s) have a difference.
- Research the reason for the difference and make the necessary HR corrections or budget adjustments.

Analyzing the Difference between Salary Encumbrance and the FMEDWW Report:
- Below are some important notes about balancing your salary lines and some scenarios to check for. This list is not comprehensive. You can also look at the Analyzing Incorrect Salaries document on our webpage for a more comprehensive list of potential issues.

Staff Salaries:
- Staff Salary Budget lines (670100) should have an available balance of zero or be positive.
- If the line is negative then some action should be taken.
- If there is a positive balance in this commitment item group it should be researched to make sure all **permanent** funding is correct.
  - Positive budgets that are okay to leave are the result of some temporary action that is basically creating salary savings which the departments do not keep. An example would be LWOP.

VERY IMPORTANT: Staff salary lines should *always* equal zero or be positive. This means you must move budget in and out of positions for all temporary actions that would drive your salary line balance negative. This is vital so that for those accounts that get carry forwards you will be allowed to carry forward your staff group item at the end of the fiscal year *if* all staff salary items/actions have been funded.

- **Possible Issues and Solutions:**
    - Do you have a position that is temporarily funded each year? Then secure and move in the temporary funding with a TEMP budget adjustment.
    - Did some temporary action occur on the employee that has not been funded? Example would be a stipend paid to a salaried employee. Then do a TEMP budget adjustment to cover the temporary payment.
    - Did you increase the cost distribution temporarily on this account for this year? Then do a TEMP budget adjustment to cover the increase.
    - Did you hire someone into a position and not fund it? Do a PERM budget adjustment to increase the positions budget.
    - Did a pay increase occur that was not funded?   Then do a PERM budget adjustment to increase the budget for the position.

Graduate Students :
- Commitment items for Graduate Students and the graduate student group item are rolled into one commitment item group for the purposes of checking budget. This commitment item group is 01FACGRAD-02GRADUATE STUDENT SALARIES.
- Available budgets for this commitment item group should *always* equal zero or be positive.
- If the available budget is negative then some action should be taken.

 IMPORTANT: Graduate Student Salary budgets do not get carried forward unless they are negative. Therefore, it is important that you research and check all the permanent activity that needs to occur, although it is not as necessary to move money in and out of your group item for temporary actions like stipends, etc. As long as your Graduate Student Commitment Item group budget balance is zero or positive you should be okay.

Faculty/Adjunct Salary Lines:
- Faculty salaries need to be looked at in two ways:
    - Individual Commitment Item Group
        - Faculty Salaries (670080) should be positive due to the fact that this is budget for our permanent tenured/tenure track and retired faculty.
        - Commitment items for Faculty Salaries-Adjunct (670084) and faculty salaries-adjunct group item are rolled into one commitment item group for the purposes of checking budget. This particular commitment item group may show negative if some available budget from the faculty salary line is being used. See examples below.
    - Combined Commitment Item Group
        - There is a unique commitment item group specifically to combine the faculty salaries and faculty salary adjunct budgets. The commitment item group for this is 99FAC_AD_T-FACULTY AND ADJUNCT SALARIES COMBINED.
- Available budget for the combined commitment item group should always equal zero or be positive.
- If the available budget for the combined commitment item group is negative then some action should be taken.

 IMPORTANT: There is no need to move budget between faculty salaries and adjunct unless something changes in the position. Therefore, it is important that you research and check all the permanent activity that needs to occur, although it is not necessary to move money in and out of your group item for temporary actions like stipends, teaching overloads, temporary faculty, per course, etc. As long as your total budget for the commitment item group is zero or positive you should be okay.

Examples of Faculty Exceptions:

- Faculty who change FTE or costing in the summer but whose PCR hasn't been processed yet may appear to have an incorrect amount budgeted in the position.
- Faculty who change FTE between fall and spring semesters may encumber more budget (on an annual basis) than what will be used until the Spring PCR is processed.
- Faculty in permanently budgeted positions who are temporarily being paid from some other source (i.e., a grant) will free up budget for someone else to use.

TIP:
There is an additional report that will help significantly in doing research to determine which positions are not budgeted as well as why budget may be different than expected salary cost.

Position and Salary Budget Report-ZPSBRPT

This report lists all people paid from accounts and shows all HR actions as well as budget transactions, then calculates an estimated difference. It can be used to help you research why there are differences between budget and positions. You will find instructions for the report at the above link.