

# CU-Boulder Budget Office Policy and Procedure

Title: Campus Benefits Budget Policy for Fund 10,  
Unrestricted State Appropriations

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Approved by: Erika Smith,  
Budget Director

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## 1 Purpose

This record documents Boulder Campus policy and procedures for budgeting employee benefits in the Unrestricted State Appropriations Fund (Fund 10).

## 2 Overview

Fund 10 fringe benefits costs are charged to centralized, budgeted General Campus FOPs by expense purpose code. For Non-Fund 10 salary activity, fringe benefit expense is charged to the FOP in which the salary expense occurs.

## 3 Policy

As Fund 10 continuing salary budget pools are increased or decreased, the centralized GC continuing benefit budget pools must be increased or decreased according to the fringe benefits rate applicable to the employee group in each salary budget pool. In select circumstance, temporary benefits also need to be adjusted, and this occurrence should be an exception.

It is expected that campus units maintain continuing budget funding in the salary pools to cover actual salary activity. Movement of continuing budget into and out of the salary budget pools should be the result of an on-going, systemic operating change, such as eliminating or adding a permanent position.

The purpose of this policy and the following procedures apply for *continuing* budget adjustments unless otherwise noted.

The exception to Non-Fund 10 salary activity being charged elsewhere should be a rare circumstance likely resulting from a granting agency refusing to cover benefits. Before this occurs, the department should provide and receive approval for a plan for this unusual charging practice from the following offices: OCG, the Vice Chancellor for Research, the department chair, and PBA.

Role of Budget Office (Planning, Budget and Analysis, PBA)

- The Fund 10 General Campus benefits FOPs are managed by PBA. The Budget Office ensures that the General campus benefits budgets are funded and managed proportionally to the Fund 10 campus salary budgets. The Budget Office provides annual allocations of continuing funding to the General Campus benefits FOPs for approved increases or decreases of the line items that comprise the fringe benefit calculation.
- Budget Office staff pre-audits budget journal entries submitted by organizational units for technical accuracy prior to approval, including movement between salary and non-salary pools and ensuring that benefits budgets are provided/adjusted appropriately. The Budget Office also periodically post-audits transactions to ascertain patterns and movement among budget pools and works with units to adjust benefits as needed. An intention of the monitoring is to ensure that all units are treated equally for benefit resource allocation adjustments.

Role of organizational units

- When an organizational unit increases its continuing salary budget from non-salary continuing budget (example: the operating expense budget pool), the unit must also provide continuing budget funding to fund the proportional share of benefits at the current fiscal year's fringe benefit rate. Further, if a unit adjusts continuing salary budget from another salary budget pool (e.g., increases professional exempt salary pool and decreases hourly wages pool), the unit must also provide continuing budget funding for the difference in fringe benefits rates. If the original salary pool has a higher fringe benefits rate, the unit may recoup 95% of the monetary difference between the benefits rates.
- If the organizational unit decreases its continuing salary budget and reallocates it to a non-salary budget pool, the unit may recoup 95% of the proportional centralized benefits at the appropriate fringe benefits rate from the centralized General Campus benefits FOPs for reallocation to the unit's non-salary budget pool.
- The campus will retain 5% of the proportional centralized benefits because the campus must bear the costs of any enhancements to the fringe benefit pool above the costs that result from increases in salary, such as enhancements to retirement plans, termination pay, etc.;
- Units can coordinate these adjustments with the Budget Office. At the very least, units must notify the Budget Office of these types of continuing budget changes.
- In select circumstances, units may be required to provide benefits funding for temporary salary activity. The Budget Office will notify units when this must be done.