



Operating Budget Guideline

This budget guideline is intended to provide additional detail related to the administration of your annual or fiscal year budget. The policy and procedure for the “*Allotment of Funds and Requests for Budget Adjustments/Revisions*” can be found under on the University Policy website: <http://universitypolicy.gmu.edu/4adm.html>.

A budget is a tool used to provide a balance between mission requirements and available resources. The operating budget, encompassing day-to-day activities, consists of revenues and expenditures. Revenues and expenditures are further categorized into different fund types based on the source (revenue) and use (expenditure) of those funds. This document provides guidance for Education & General (E&G), Auxiliary Enterprise (AE), and Indirect (IN) fund types.

Your annual or fiscal year budget consists of three major categories 1) personnel salaries; 2) fringe benefits and 3) direct expense (DE). Below are guidelines for monitoring and managing each major category.

1) Personnel Salaries:

a. New Positions:

The Commonwealth of Virginia establishes a position ceiling for the University, as well as a spending authorization limit; therefore, no additional positions may be established without the appropriate review, support and approval from the Budget Office.

Your initial fiscal year personnel budget reflects the salaries of all funded positions within your organization as of April of the prior fiscal year. The personnel budget roster provides a listing of budgeted positions and salary amounts. Viewing unit rosters requires access to Patriot Web and access to the e-Print report.

A request to establish positions in addition to those allocated in the original fiscal year budget are funded from your current fiscal year budget and must include the cost of both salary and fringe benefits. Funding of new positions can come from existing positions within your unit or your direct expense budget. To request a new position complete a Position Maintenance Form located on the Office of Budget and Planning website under the Forms/Schedules tab or via the following link: <http://budget.gmu.edu/forms.htm>.

b. Adjustments to Existing Positions

Adjustments to positions resulting from turnover, reallocations, or contractual changes are either covered by or returned to your unit's DE budget. Similar to the funding new positions, the unit covers or receives the cost of both salary and fringe benefits. To adjustment position budgets, units complete the Funding Change Form located on the Office of Budget and Planning website under the Forms tab or via the following link: <http://budget.gmu.edu/forms.htm>.

c. Salary and Associated Fringe Benefit Savings

Salary and associated fringe benefit savings, which may occur through staff turnover and position vacancies, will be retained at the unit level and provides the Vice President, Dean or Director the ability to reallocate these savings for other purposes. Your assigned budget analyst, who can be identified via the Office of Budget and Planning website under the Staff tab or via the following link: <http://budget.gmu.edu/unit.htm>, will work closely with units during the fiscal year to ensure that any personnel savings are reallocated to reflect changes in your operating plans. Some units have salary savings requirements that must be met before funds are reallocated for other purposes.

d. Hourly/Wage

Hourly/Wage budgets may be used for non-student hourly staff, non-College Work Study student employees or overtime worked by either classified or wage personnel. The total amount is pooled in the category "*Wages and Overtime*" and may be spent on temporary personnel or essential overtime as deemed appropriate by the unit.

Hourly wage employees are administered by the Human Resource Office and units must consult with Human Resources prior to hiring any hourly wage employees.

The use of student wage employees continues to be a major initiative within the University; therefore, units are encouraged to hire student wage employees to provide them with the opportunity to learn important skills.

e. College Work Study

Unit budgets may include a College Work Study allocation. The amount shown in your budget represents the total of both federal and state funds and equals the amount students may earn who are employed under the work study program. College Work Study allocations may not be used for other purposes and other funds may not be used to supplement the College Work Study allocation without specific approval by the Office of Budget and Planning.

Due to the restricted nature of federal funds provided for College Work Study, over expenditure of your allocation is not allowed.

2) Fringe Benefits

Fringe benefit rates are based on benefits costs as set by the state and historic utilization of benefit programs; are accepted by the University's cognizant agency for Federal research; and are consistent across all fund types.

Fringe benefits are budgeted based upon the average cost for each category of employee. As salaries are charged to your budget, the associated fringe benefit costs will be assessed based on the applicable fringe benefit rate. Rates by employee class found on the Budget Office website under Budget Data tab or via the following link:

<http://budget.gmu.edu/tab13.htm>.

3) Direct Expense (DE)

The direct expense (DE) budget is available to cover all expenditures other than salaries, wages and fringe benefits. The funds are allocated to account code 70000 within your organization to provide you with maximum flexibility in managing your department.

Deans, Directors and Heads of Departments are responsible for balancing and reconciling their overall budgets as referenced in University policy on "*Reconciling Departmental and Sponsored Fund Accounting Records*" located on the University Policy website:

<http://universitypolicy.gmu.edu/2114adm.html>.

For a list of frequently asked questions refer the Office of Budget and Planning website under FAQs/Links tab or via the following link: <http://budget.gmu.edu/faqs.htm>.