

NC STATE UNIVERSITY

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June 25, 2008

**MEMORANDUM**

TO: Vice Chancellors and Deans

FROM: Charles D. Leffler, Vice Chancellor for Finance and Business  
Larry A. Nielsen, Provost and Executive Vice Chancellor



SUBJECT: Personnel Benefits Pool

In accordance with the Chancellor's memorandum of January 9, 2008, state appropriated personnel benefits in the Academic Affairs Budget code (16030, projects 201XXX-249999) will be centrally pooled beginning in fiscal year 2008-09. Personnel benefits will continue to be expended at the project level as they have in the past, but, starting in 2008-09, benefits budgeting will be an automatic process. Nightly transfers will be made from the benefits budget pool in amounts sufficient to cover each project's benefits expenditures and encumbrances. Budgeting for benefits expenditures in the Academic Affairs budget code will no longer be the responsibility of the college or division.

We will remove from your 2008-09 continuing budget the equivalent of your 2007-08 actual benefits expenditures. Guidelines for the administration of the Personnel Benefits Pool are attached. The University Budget Office will contact each college or division University Business Officer and hold information sessions during July to respond to questions concerning the pool and the related budget processes and procedures.

The initial transfer of continuing personnel benefits budgets from college and division budgets to the central personnel benefits pool will occur immediately after the fiscal year 2008-09 budget is loaded in the Financials system by 7/31/08. All benefits budget will be removed from individual projects in the applicable project ranges and transferred to the pool. The total removed from each college and division will be compared to actual 2007-08 benefits expenditures.

If 2007-08 expenditures and adjustments exceed the amount of budget removed, continuing operating budget (55999) will be transferred from the college or division to the pool to cover the shortfall. If more budget is removed than 2007-08 expenditures, the adjusted surplus will be returned to the college or division as continuing operating budget (55999). This calculation will be provided to each college or division during the information sessions in July.

We appreciate your cooperation with this new process.

Attachment

cc: Chancellor James L. Oblinger  
College Business Officers

### **Personnel Benefits Budgeting Guidelines:**

1. Effective 7/1/08 and applies only to the Academic Affairs Budget Code (16030, State Appropriations only (projects 201XXX-249999), excluding Summer School (projects 202XXX) and Distance Education (projects 205XXX). Does not include appropriated receipts (projects 301XXX – 349999).
2. Graduate Student Support Plan (GSSP) will be able to maintain and monitor personnel benefits budgets for Graduate Student Health Insurance on a continuing basis. Any increases in the rates for Graduate Student Health Insurance will need to be addressed and appropriate amounts contributed to the Personnel Benefits pool.
3. All new funding to the university (including CITI budgeted for personnel) must include an allocation to the pool for personnel benefits based on either the percentages used in the calculation of benefits on funded expansion budget items or the most current rates – using TSER rates for SPA and non-teaching EPA and ORP rates for teaching EPA.
4. Personnel allocations from Vice Chancellor/Provost Reserves that create new positions must include an allocation to the Personnel Benefits pool.
5. When new positions are created or increased in FTE, or salary adjustments are made from existing resources in a college or division, campus does not need to transfer benefits budget to the pool.
6. When positions are abolished or reduced in FTE or salary, a transfer of benefits budget will not be made from the pool.
7. Summer Session and Distance Education funds may be included in the pool at a subsequent date.

### **Criteria for Allocations from any uncommitted balance in the Benefits Pool:**

- A. For positions paid from state appropriated funds (projects 201XXX-249999), the Benefits Pool will be used to cover (a) personnel benefits (actual expenditures and encumbrances), (b) bonus leave payout (position must have been paid from state appropriated funds for the last consecutive 12 months), and (c) background checks.
- B. Severance pay and terminal leave payouts remain the responsibility of employing unit.
- C. Resources will be used to cover any shortfall in Workers Compensation and Unemployment Insurance Premium costs that cannot be covered by the University's Academic Affairs (16030) Special Benefits Receipts on a one-time basis.
- D. The lapsed benefits for the first year from any new position funding appropriated by the Expansion Budget that are specified for a specific college or division will include the one-time allocation of personnel benefits funding to assist with new position start-up costs; funding will be the lesser of the unused personnel benefits cost for the positions until filled or annual personnel benefits appropriated for that purpose.
- E. Provost Nielsen and Vice Chancellor Leffler will issue guidelines for allocating any additional funds from the personnel benefits pool no later than December 15<sup>th</sup> for allocation after February 1<sup>st</sup>.