



UNIVERSITY BUDGET OFFICE

FY27 Indiana University Budget Instructions and Resources



UNIVERSITY BUDGET OFFICE

Contents

General Guidance/Information 3
General Budget Guidance..... 3
Budget Applications and Procedures 3
Edit Checks..... 3
Contracts & Grants..... 4
IUF Funds Reimbursement & Matching Programs 5
Salary Savings & Reserves 5
Budgeting Surpluses and Deficits 7
Salary Guidelines 7
Faculty Members holding Administrative Positions 7
Other Compensation Matters 7
Benefit Rates..... 9
Online Education Investment 10
APPENDIX A: Budgeting for Financial Aid 11
Bloomington Pell/SEOG 11
Indianapolis Pell/SEOG 11
East Pell/SEOG 12
Kokomo Pell/SEOG 12
Northwest Pell/SEOG 12
South Bend Pell/SEOG 13
Southeast Pell/SEOG 13



UNIVERSITY BUDGET OFFICE

General Guidance/Information

General Budget Guidance

During budget construction, we aim to establish a budget that aligns to our expected income and expenses for the coming year. The difference between budgeted and actual expenditures should be comparatively small; consequently, budgets should conform as closely as possible to realistic projections of expenditure patterns. Additional funds for chronically overspent lines should be provided through internal reallocations during budget construction rather than waiting until later in the year. The goal is to allocate funds at appropriate levels during budget construction.

Budget Applications and Procedures

Income received in the general fund that is unrelated to ordinary general fund revenue sources is referred to as “Incidental Income” or INC INC. An example would be special instances of sales and services revenue. Fiscal officers provide these figures to the University Budget Office, via the INC INC application, prior to budget construction. UBO will import these numbers into budget construction prior to opening. Once budgeted, these amounts cannot change. If projections submitted during the incidental income process require adjustment, please contact UBO at budu@iu.edu.

General Fund income budgets also utilize data sourced from the credit hour projector. Similarly, this data is provided by the University Budget Office and must be budgeted by the campuses as provided. UBO will be reviewing submissions and may require a base reserve to be placed in the account where estimates are increasing to ensure revenue projections can support base spending.

Edit Checks

Edit checking is the process in which budget construction submissions are validated against IU budget policies and errors that may cause problems on an employee compensation record. For example, making sure existing staff member salaries are budgeted and the new salary is set for the new fiscal year or that salary increases do not exceed the maximum set in the salary policy without an approved exception. A timeline of refreshing the error checking data will be communicated by the UBO with reports placed in Teams for each campus. Due to the time constraints during the final error checking phase of budget construction, clearing errors in a timely manner is critical.



UNIVERSITY BUDGET OFFICE

Contracts & Grants

In prior years, only compensation was included in budget construction for Contract & Grants (CG) accounts. For the FY26 budget, the Budget Office imported a formula-based projection of income and expenses for existing CG accounts and budgeted the remainder at the chart level. Starting in FY27, we will import these base budgets at the chart level for regional campuses and at the RC level for BL, IN, and UA. RC fiscal officers should work with their campus finance leaders if they wish to adjust the budget imported for their RC. Current budget management for individual CG accounts will continue as is.

Base budget for CG will only be populated in the budget only object codes listed below that summarize budgets by category rather than the object codes used for actuals. Any other object codes will be ignored for base budget numbers.

- B199 – Income
- B4GE – General Expenses
- B4CM – Compensation Expenses
- B4BE – Benefits Expenses
- B4FI - Financial Aid Expenses
- B4TF – Transfer Expenses
- B4IC – Indirect Cost Expenses
- B4TV – Travel Expenses
- B4CP – Capital Expenses

Units will still be responsible for budgeting salaries (deleting offsetting 2PLG balancing object code). Salaries set in budget construction will populate the 7/1 salary for the employee but will not be included in base budget totals.

The Salary Policy for FY27 applies to employees in ALL fund groups. Those funded in whole or in part by Contract & Grant (C&G) accounts are NOT exceptions to the policy. If the grant account has another year of funding expected to arrive prior to July 1, set the employee's salaries using the current C&G account during budget construction. If the new account is active prior to the budget load, the system will automatically load the salaries to the new account.

If the grant funding ends prior to July 1, with no future project funds expected, the system will load the employee's budgeted salaries to the expiring grant account, and the unit will need to move the salary to another account after July 1.



UNIVERSITY BUDGET OFFICE

Fringe benefits are not calculated on the budgeted salaries in C&G accounts. Do not budget hourly expenses in C&G accounts. Do not budget vacant positions or edit the budget object above unless approved by your campus finance leader.

IUF Funds Reimbursement & Matching Programs

IUF Funds Reimbursement

Donor funds held at the IU Foundation (IUF) are generously given to IU and should be prioritized to be spent as the donor intended, prior to spending IU funds when able. The IU Foundation has built resources to calculate the target spend in the [Target Spend Summary](#) to assist in using these funds.

1:1 Account Relationship and Budgeting IUF Funds

To improve the process of reimbursing IU from IU Foundation funds, all IUF gift accounts that will reimburse IU should have a corresponding IU account. Please budget anticipated expenses in these IU accounts and offset income in object code 1179 (IU Foundation Gifts). Any university match funds expected should be budgeted as a transfer in.

Match Accounts and IUF Reimbursements

The Bicentennial Match and Faculty Endowment Match Programs (FEMP) include both donor dollars held at the IU Foundation and annual match monies distributed by Indiana University into IU match accounts. Units should plan to spend annual distributions from both the IUF and IU match accounts.

Previously the University Budget Office restricted reimbursements from IUF accounts until the IU match accounts contained negative balances. IU Foundation funds can be used if the expense meets donor intent, and the IU match account has not accumulated more than 2 years of match funds.

Salary Savings & Reserves

Salary Savings

The salary savings object codes should be used to budget anticipated savings associated with vacant positions. Salary savings should be budgeted only for permanent faculty and staff positions and should not be used for visiting or temporary positions. The salary savings codes below are available for use in budget construction:

Employment Type	Object Code	Object Name
Academic	2003	Academic Salary Savings
Professional Staff (Exempt and Non-exempt)	2403	Exempt Staff Salary Savings



UNIVERSITY BUDGET OFFICE

Staff (Non-Exempt)	2502	Non-Exempt Staff Salary Savings
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Salary savings object codes automatically generate an offset to fringe benefits at the appropriate rate for the employment type.

Salary savings object codes are expense object codes and should be budgeted as a negative amount. When budgeting salary savings, we recommend a sub-object code to identify the position the savings are associated with. Example below.

Employment Type	Object Code	Object Name	Sub-Object Code	Sub-Object Name	Amount
Academic	2003	Academic Salary Savings	033	Pos 00055033	-75,000.00
Professional Staff (Exempt and Non-exempt)	2403	Exempt Staff Salary Savings	044	Pos 00055044	-75,000.00
Staff (Non-Exempt)	2502	Non-Exempt Staff Salary Savings	055	Pos 00055055	-40,000.00

With the shift of terminal pay expense to HR effective 7/1/25, units should see expanded opportunities to leverage salary savings. Since they will no longer be responsible for paying out accrued time-off to departing employees, salary savings could be used to capture the savings associated with hiring lag for positions that are vacated. Please use FY26 actual savings, prior year turnover trends, and upcoming workforce decisions to project these savings.

Salary Reserves

If a department is budgeting for new positions or is budgeting reserve funds for use after July 1 to support pending personnel changes, the department should budget the corresponding funds in the salary reserve object codes below.

Employment Type	Object Code	Object Name
Academic	2005	Academic Salary Reserves
Professional Staff (Exempt & Non-exempt)	2405	Exempt Staff Salary Reserves
Staff Non-exempt	2504	Non-Exempt Salary Reserves

Budgeted salary reserves, as with all salary object codes, automatically generate fringe benefit budgets at the appropriate rates and should not be grossed up. If there are plans to fill a position prior to July 1, 2026, please budget at the position level rather than using salary reserves. Salary reserves should **not** be budgeted in the **7900 Unallocated Balance** object code.



UNIVERSITY BUDGET OFFICE

Budgeting Surpluses and Deficits

While budget construction requires revenues to equal expenses, operating units should not be planning for such a scenario. Object codes 7970 and 7971 were created to address either an anticipated overall budget surplus or deficit. More detailed information can be found in the policy statement on UBO's website.

[AFB-Business-Practice_Budgeting-Surplus-Deficit.pdf](#)

Salary Guidelines

Formal salary guidelines for faculty and staff can be found on the [UBO website](#) when available. Individual salary increases can be excluded from the salary pool provided if an excludable reason is approved by IUHR compensation. See guidelines for more detail.

Faculty Members holding Administrative Positions

When an individual holds both a faculty and administrative position, the following policy applies: [ACA-08 Faculty Members Holding Administrative Positions](#). This policy is used to determine the salary of the faculty member during their administrative appointment, eligibility for salary increases, and their salary after their appointment ends.

Memorandums documenting the administrative position should be very clear about the expected work months and compensation breakdown, breaking down both the faculty component of the salary and the administrative portion (ADM) of the salary. Most administrative appointments require a 12-month appointment, resulting in 10-month faculty adjusting to 12-month faculty during their appointment. Please consult the Budget Office for academic administrative appointments that are structured to be less than 12 months.

Other Compensation Matters

Vacant positions are not to be budgeted with a requested salary of \$0 in budget construction. A vacant position with \$0 salary request should either be marked for delete (with CSF tracker dollars) or purged (with no CSF tracker dollars). Vacant positions should be budgeted at the anticipated salary amount.

If the account funding for a position is changed in budget construction, the HRMS work area will not be affected. An eDoc needs to be completed if the work area is to be changed.

When budgeting a split-funded (funded on multiple accounts) position, the dollars and percentage for each funding line must agree. For example, a position split 40%-60% on two accounts must show 40 percent of the dollars on the first account and 60 percent of the dollars on the second account.



UNIVERSITY BUDGET OFFICE

The "total intended" field in Budget Construction should be used when an employee is split-funded among multiple accounts. The field is used as a tool to identify the total salary request for the individual and the total FTE effort the individual will work. The "total intended" fields should be completed on each account that has a funding piece. This field should only be used when an employee is split-funded.

When a biweekly position is funded on multiple accounts, the hourly rate must be the same on each account.

eDoc Processing

Once budget construction opens, all base adjustments and corresponding eDocs will be inaccessible and changes to base are made in budget construction. After budget construction closes, UBO will assist with changes that have occurred in the interim.

Budget data is built from existing HRMS Job and Position data. When a budget is opened you will find existing appointed employees tied to their positions, just as they are in HRMS, if a candidate job row is found and the appointment funding is flagged for CSF. Budgeted positions without incumbents are identified as vacant in Budget Construction. Any eDoc transactions can proceed as usual.

While setting salaries in Budget Construction, (i.e., entering a new compensation rate, distributing salary between accounts for an employee currently appointed to a position), do not complete a corresponding eDoc.

However, if you are changing any attribute of a position, you must complete a Maintain Position eDoc. If the position change is to be reflected in the employee's job record, the update incumbent box must remain checked.

For a new hire to be reflected in Budget Construction, you must process a Hire eDoc (automated through TAM). If the eDoc is processed before the CSF Tracker is frozen, and the effective date is prior to the new fiscal year, the base will automatically be updated in Budget Construction. You can use an effective date prior to and including 7/1/26 for 12-month appointments, and 8/1/26 for 10-month appointments. If the appointment is to have an effective date outside of this range, please budget the position as VACANT.

If a position is changing from a 12-month to a 10-month, a Maintain Position eDoc must be initiated. Use the effective date of 7/1/26, if the intent is to prohibit the employee from receiving pay for the month of July.

If an AC1 employee is currently on leave with an expected return date on or prior to 7/1/26, and the employee is definitely returning, you will need to initiate a Return to Duties eDoc. This eDoc must be approved prior to the budget load to enable the individual's APA to load. Staff employee records load regardless of their HRMS leave



UNIVERSITY BUDGET OFFICE

status (there is no need to return a Staff employee from leave unless he or she has returned).

An eDoc processed prior to the budget load with an effective date less than or equal to 7/1/26 (12- month appointment) or less than or equal to 8/1/26 (10-month appointment) will be overwritten with the budget load. Therefore, the budget load information becomes the current job information.

Before the budget load, if you process an eDoc with an effective date in the new fiscal year, you will be providing outdated salary information, due to carrying the current salary information forward with an effective date after the budget load.

Once the CSF Tracker is turned off, eDoc changes will no longer automatically update in Budget Construction and will require an interactive update using the Budget Construction application. However, eDocs may still be processed, with the only eDoc transactions being “held” being the ones for which you know that what the budget will load is wrong and you need to insert a row on top of it to cover up the budget data. A legitimate example would be one in which the budget only loads funding by percent, and you want the funding to be by amount.

When the budget is loaded, all eDocs for AC1, Staff Monthly, and Staff Biweekly employees with a route status of “saved” or “enroute” will automatically be disapproved by the eDoc system the next time they are opened.

eDocs will continue to be processed throughout budget construction, even after the budget is pulled up to the Campus level.

Benefit Rates

The FY27 Benefit Rates are available on the [UBO's website](#) for reference. The fringe benefit rate will decrease for FY27. However, we expect the FY28 rate will increase beyond FY26 levels. We ask that units not reallocate the savings from FY27 toward salary increases or other base funded expenses so the increase in FY28 is achievable. Campuses and University Administration finance leadership may capture savings centrally to prevent reallocation toward other expenses and will communicate directly with units.

Terminal Pay

Due to changes in Uniform Guidance (federal audit requirements), Indiana University started including terminal pay in the fringe benefit rate as of July 1, 2025. Terminal pay will be charged to departments as a percentage of an eligible employee's salary or wage every pay period. These



UNIVERSITY BUDGET OFFICE

funds will be collected in a central UA account that will be used to pay the employee's terminal pay when they leave the university.

Important items to note related to this change:

- A separate benefit pool is now required for staff, separate from faculty, so that terminal pay can be included in the rate. This will result in a new academic rate for faculty. See FY27 Benefit Rates table found on the [UBO website](#).
- Accruals for vacation and sick will no longer appear on the auxiliary and campus accounts at year-end. These will be recorded at a consolidated level.
- Because terminal pay is included in the benefit rate it will no longer result in a direct charge to departmental or contract and grant accounts.
- Departments will budget for terminal pay as a fringe benefit charged on the applicable salary and wage object codes.

Online Education Investment

Starting in FY27, Online Education will be funded through the UA assessment model charged to campuses rather than a revenue share model. Allocation numbers are determined from defined metrics aligned with the UA assessment funding model and will be distributed to campuses directly.



UNIVERSITY BUDGET OFFICE

APPENDIX A: Budgeting for Financial Aid

Campuses may use the actual amounts of SEOG allocated. Since there is no allocation for Pell, estimates should be based on historical data.

Bloomington Pell/SEOG

Table with 5 columns: Bloomington Pell (disbursed YTD), SEOG (Initial allocation), and corresponding fiscal years for both.

Indianapolis Pell/SEOG

Table with 5 columns: Indianapolis Pell (disbursed YTD), SEOG (Initial allocation), and corresponding fiscal years for both.



UNIVERSITY BUDGET OFFICE

East Pell/SEOG

East Pell (disbursed YTD)		SEOG (Initial allocation)		
25-26		25-675-84	\$140,522	25-677-82
24-25	\$7,612,832	25-675-83	\$145,125	25-677-84
23-24	\$5,930,625	25-675-92	\$136,997	25-677-89
22-23	\$4,953,699	25-675-84	\$144,215	25-677-82
21-22	\$4,501,147	25-675-83	\$132,208	25-677-84
20-21	\$4,949,007	25-675-92	\$130,528	25-677-89
19-20	\$5,347,091	25-675-84	\$124,574	25-677-82
18-19	\$5,341,665	25-675-83	\$92,906	25-677-84
17-18	\$5,167,659	25-675-92	\$90,678	25-677-89
16-17	\$5,156,690	25-675-84	\$82,681	25-677-82
15-16	\$5,936,865	25-675-83	\$82,856	25-677-84

Kokomo Pell/SEOG

Kokomo Pell (disbursed YTD)		SEOG (Initial allocation)		
25-26		25-630-84	\$100,000	25-630-82
24-25	\$6,529,330	25-630-58	\$107,875	25-630-83
23-24	\$5,058,102	25-630-92	\$112,615	25-630-98
22-23	\$4,814,735	25-630-84	\$114,075	25-630-82
21-22	\$4,461,388	25-630-58	\$106,543	25-630-83
20-21	\$4,731,904	25-630-92	\$107,361	25-630-98
19-20	\$4,678,300	25-630-84	\$75,000	25-630-82
18-19	\$4,984,971	25-630-58	\$72,153	25-630-83
17-18	\$5,000,732	25-630-92	\$70,854	25-630-98
16-17	\$4,921,909	25-630-84	\$62,668	25-630-82
15-16	\$5,277,030	25-630-58	\$60,000	25-630-83

Northwest Pell/SEOG

Northwest Pell (disbursed YTD)		SEOG (Initial allocation)		
25-26		25-580-84	\$142,517	25-599-82
24-25	\$8,796,882	25-580-83	\$163,489	25-599-83
23-24	\$6,968,768	25-580-92	\$170,070	25-599-89
22-23	\$6,667,109	25-580-84	\$169,622	25-599-82
21-22	\$6,055,977	25-580-83	\$161,590	25-599-83
20-21	\$6,624,586	25-580-92	\$158,724	25-599-89
19-20	\$6,840,165	25-580-84	\$154,480	25-599-82
18-19	\$6,383,168	25-580-83	\$124,630	25-599-83
17-18	\$6,660,099	25-580-92	\$131,833	25-599-89
16-17	\$6,673,394	25-580-84	\$129,744	25-599-82
15-16	\$7,313,736	25-580-83	\$147,146	25-599-83



UNIVERSITY BUDGET OFFICE

South Bend Pell/SEOG

South Bend Pell (disbursed YTD)		SEOG (Initial allocation)	
25-26		25-540-84	\$198,586
24-25	\$12,211,757	25-540-83	\$202,915
23-24	\$9,602,444	25-540-92	\$189,127
22-23	\$8,031,921	25-540-84	\$196,025
21-22	\$7,122,823	25-540-83	\$192,925
20-21	\$7,624,827	25-540-92	\$199,311
19-20	\$8,250,333	25-540-84	\$192,765
18-19	\$8,808,555	25-540-83	\$143,579
17-18	\$9,008,985	25-540-92	\$145,404
16-17	\$8,727,170	25-540-84	\$140,761
15-16	\$9,679,472	25-540-83	\$142,296

Southeast Pell/SEOG

Southeast Pell (disbursed TYD)		SEOG (Initial allocation)	
25-26		25-502-84	\$134,078
24-25	\$7,745,981	25-502-79	\$147,814
23-24	\$6,127,035	25-502-92	\$150,416
22-23	\$5,528,781	25-502-84	\$169,014
21-22	\$5,254,174	25-502-79	\$175,564
20-21	\$5,986,124	25-502-92	\$186,196
19-20	\$6,834,751	25-502-84	\$182,034
18-19	\$7,407,004	25-502-79	\$155,430
17-18	\$7,774,781	25-502-92	\$156,374
16-17	\$7,658,225	25-502-84	\$146,412
15-16	\$8,438,544	25-502-79	\$148,116