



Using UMD Fringe Dashboard to Identify/Investigate Projected Deficit/Surplus

Introduction

- This document is to assist with discussion and understanding why a projected deficit (or surplus) fringe benefit balance is being calculated in the dashboard.
- **Fringe Benefit Budget calculation:** Prior Year KFS salary and wages by category X applicable fringe rate + prior year COLA (3% FY2020) + 4% factor of calculated fringe after prior year COLA.

Potential Reasons for deficit/surplus – Variance Factors

- Change in Personnel: Has your division/unit/account experienced an increase or decrease in personnel expenses between current fiscal year and prior fiscal year? An FTE line chart on the dashboard lists current year vs prior fiscal year FTE and Headcount. Headcount can be misleading due to small FTE percentages like 5% when a faculty is working 95% on a grant. Payperiod 05 of the current FY is added to include most returning faculty. Look for significant changes in FTE.
 - Review the labor ledger in the KFS account overview report by account and compare the most recent ending fiscal period in the current year to the applicable prior year fiscal period. Do you have brand new hires, promotions, position filled that were vacant for more than a year, terminations or other factors causing the difference? from other non-state sources or other instances that cause what appears to be an FTE growth.
- Salary Transfers: Were there labor ledger transfers in either the prior or current fiscal years? Salary transfers in the prior fiscal year impact the calculated fringe budget while transfers in the current fiscal year impact expense and encumbrance.
 - Review the prior year expenses and identify whether or not salary transfers have occurred in prior or current fiscal year. Now verify that the same level of salary transfers have occurred on the account. Identify if these transfers are to/from a fringe reimbursable account or not and if the transfers are credited/debited to an account outside the unit with the account fringe deficit.
- 1 Year Sabbatical returns – Review sabbaticals for any one year half pay faculty on a fringe reimbursable account.
- Return of faculty or staff that were paid on a research award in the prior fiscal year: Were there faculty or staff who were paid on a research award in the prior year?
 - Refer to Salary Transfer section above.
- Lecturers and GA's: Has the division/unit/account had significant changes in lecturer's or GA's in the prior or current fiscal year?
 - Refer to Change in Personnel section above.
- Other Changes: Has the division/unit/account had a course/center/curriculum change between fiscal years?
 - Refer to Change in Personnel section above.



Dashboard to KFS Review Process By Account (deficit example)

1. Under “Fringe Rate Accounts Budget vs Actual” click on account to review to display breakdown by rate category in the “Fringe Categories Total” chart.
2. Under “Fringe Categories Total” select Fringe Rate Category (Faculty, Legislated Benefits, Limited Benefits or Staff) that has a projected balance that is to be investigated – example continues based on looking at a negative Projected Balance in Faculty.
3. Select Faculty benefit category to display object code details.
4. Review object codes projecting a deficit by going to KFS Web reports (KFS090 has greatest level of detail for individual accounts).
5. Select KFS account and change Fiscal Year to prior fiscal year final close. Drill down under Total Expenses and Transfers, then salary and wages to collect data on object codes salary and wages under the dashboard projected to have a deficit fringe balance.
6. Once data for prior fiscal year is collected, change fiscal year to current fiscal period and drill down to the same object codes under review. Sum “Actual Fiscal Year” expense and “Encumbrances” to get to projected current fiscal year salary wage expense for the category under review.
7. Take the difference between prior fiscal year and projected current fiscal year X fringe rate category to identify variance.
8. Review items listed below under Variance Factors that could affect significant change in salary and wage expense from prior to current fiscal year.
9. Once data for prior fiscal year is collected, change fiscal year to current fiscal period and drill down to the same object codes under review. Sum “Actual Fiscal Year” expense and “Encumbrances” to get to projected current fiscal year salary wage expense for the category under review
10. Take the difference between prior fiscal year and projected current fiscal year X fringe rate category to identify variance
11. Review items listed above under Highlights that could affect significant change in salary and wage expense from prior to current fiscal year

Conclusion

The guidance above is to assist with deficit fringe balance discussion with individual units. The following should be carefully considered for timing purposes and impact:

- Encourage units to code employees in PHR with the most current funding accounts or initiate timely salary transfers to accurately reflect personnel costs on fringe reimbursable accounts.
- Salary transfers from prior fiscal years can significantly impact division/unit/account budgets.
- Increases in personnel charges based on new programs, to meet enrollment needs, curriculum changes or other personnel needs on fringe reimbursable should be discussed with the CBO and Provost office prior to hiring.
- If in deficit, analyze and quantify the impact of personnel changes. Contact BFA or the Associate Vice Provost office to review and discuss your analysis.
- Questions concerning how to use the dashboard can be directed to Dan Ramia dwramia@umd.edu or David Kenney dkenny@umd.edu .