



Operating Budget Guidelines

For the fiscal years 2025/26, 2026/27 and 2027/28

BRIGHTER WORLD



Table of Contents

| | | |
|----------|---|-----------|
| 1 | INTRODUCTION | 2 |
| 2 | INFORMATION AND CHANGES FOR 2024/25 BUDGET | 2 |
| 3 | SUBMISSION AND PRESENTATION TIMETABLE..... | 5 |
| 4 | BUDGET SUBMISSIONS | 6 |
| 4.1 | Narrative | 6 |
| 4.2 | Hyperion Budget Entry | 6 |
| 4.3 | Revenues, Recoveries and Transfers..... | 7 |
| 4.3.1 | Framework Allocations..... | 7 |
| 4.3.2 | Other Revenue, Recoveries and Transfers..... | 8 |
| 4.4 | Expenditures..... | 8 |
| 4.4.1 | Salaries and Wages..... | 8 |
| 4.4.2 | Benefits | 9 |
| 4.4.3 | Professional Development Allowances..... | 9 |
| 4.4.4 | Non-Salary Expenses | 10 |
| 4.5 | Employee Full-Time Equivalent (FTE) | 11 |
| 4.6 | Operating Surplus (Deficit)..... | 11 |
| 4.7 | Appropriations..... | 11 |
| 4.8 | Reallocation Requests..... | 11 |
| 5 | CONTACT INFORMATION | 12 |
| | APPENDIX A – BUDGET ALLOCATION FRAMEWORK | 13 |
| | APPENDIX B – 2024/25 BUDGET CYCLE TIMELINES..... | 15 |
| | APPENDIX C – ONGOING VS. ONE-TIME REVENUE AND EXPENDITURE GUIDELINES | 16 |
| | APPENDIX D – LABOUR/BENEFIT ACCOUNT MAPPING..... | 17 |
| | APPENDIX E – TRANSFER ACCOUNTS..... | 21 |
| | APPENDIX F – FREQUENTLY ASKED QUESTIONS..... | 23 |

1 INTRODUCTION

The Operating Budget Guidelines are provided as a budget development framework to ensure consistency across the University. For 2025/26, framework allocations continue to be made according to the methodology of the budget model implemented in 2014/15. The budget model is a hybrid activity-based budget (ABB) model where activity units (Faculties) are allocated a share of central revenue based on activity, and support units receive an annual fixed budget based upon prior year's allocation plus increments or changes related to determined priorities. Further information on the budget model is available at <https://provost.mcmaster.ca/budget-planning/>.

The budget for 2025/26 will be developed in the Hyperion system, which is integrated with the PeopleSoft system. The 2024/25 projection and 2025/26 budget submissions in Hyperion will be transferred into PeopleSoft after the budget process for 2025/26 is completed. A brief overview of the Hyperion submission is given in Section 5.

2 INFORMATION AND CHANGES FOR 2024/25 BUDGET

The following is a list of key information and changes and is not intended to be exhaustive:

- The budget planning horizon will cover the three-year period 2025/26 to 2027/28. Submissions should include updated projections for 2024/25. The 2025/26 budget should be based on a detailed analysis by department and program which will be used as the benchmark for actual results, while 2026/27 and 2027/28 may project revenue and expenses at the envelope level, incorporating major changes. The specific budget approval will be limited to the 2025/26 fiscal year while the future years remain a working document.
- The budget cycle will continue to be divided into two phases:
 - Phase 1 June to October: Support units prepare budgets and activity units prepare a 5 month review.
 - Phase 2 November to March: Activity units prepare budgets.
- Budget presentation conferences will continue to be attended by the Budget Committee, as well as by Deans and Faculty Directors of Administration to provide feedback on the processes and services they are supporting, and to understand and enhance collaboration with other presenting Activity units. In addition, for reasons of transparency and collaboration a number of AVP positions are now also invited to optionally attend as observers. Any adjustments to this approach will be communicated prior to the budget conferences. The complete submission and presentation schedule is shown in Section 3.
 - The presentations will remain in the same format as prior years continuing to be in-person
- Revenue projections, which feed the allocation amounts, will be based on the Provincial funding framework for grants and tuition. Allocation amounts are shown in Appendix A.
 - Support unit allocations include already approved strategic investments. In line with the current revenue environment there is no across the board allocation towards salary increases for 2025/26 planned at this time.

- Activity unit true-up allocations for 2023/24 and updated projections for 2024/25 will be available in October for use in the 5 Month Review. Activity unit allocations for the 2025/26 budget and outer years based on the November 1 count will be confirmed by early January.
- The Budgeting website contains a section on [Preparation of Budgets](#) which outlines the various recommended steps for preparing budgets.
- The budget submission templates reflect a continuation of the new concise order and content which was used in the previous years – one for activity units and one for support units – and highlight important information in the main part of the narrative, with appendices for Budget Committee. However, **Information for Budgeting Services continues to be gathered on a separate file, entitled “Extra Submission Data”**. Please be sure to download the file and the updated template for the 2024/25 budget from the [Budget Guidelines and Templates](#) section of the Budgeting Services website. The short timeline for presentations results in a large amount of material to be reviewed in a short period of time. Great progress was made in the previous two years, **it continues to be strongly recommended to limit narrative submissions to no more than 12 pages plus appendices. If this recommendation is not followed you may be asked to cut pages during the review process.**
- Please note the following information to be included in the budget submission narrative:
 - **NEW** Internal Benchmarks and performance indicators in section 8 should include items listed in the template where available and appropriate. **Two additional charts are requested for this section, one to reflect the major department or service breakdown within support unit budget envelopes, and another on the budget envelope revenue sources. This aims to provide a level of transparency and context to Budget Committee that resolves some recurring questions. A template to serve as the starting point for the charts, and to ensure consistency, will be provided by Budgeting Services by end of July 2024.**
 - Any external benchmarks should be included in the appendix and limited to comparable Canadian universities.
 - All assumptions must be consistent with these guidelines and no deviations are allowed. Envelope Managers should highlight concerns in their narrative submissions.
 - A staffing section outlining budgeted positions is included in the narrative. While the FTEs calculated in Hyperion are based on hours worked, this Section 4 focuses on trends in fully-staffed complement. Details of requirements are included in the narrative template. For the 2025/26 budget, FTEs will be calculated by Hyperion based on the hours forecast for each employee. This calculation will be consistent with the FTEs used as a driver in the budget model, which includes hours worked by all employees as recorded in the HR payroll system through salary accounts. For more information, please see Section 4.5 and Appendix F.
 - Significant planned capital expenditures must be included. The link to the capitalization policy can be found at <https://financial-affairs.mcmaster.ca/app/uploads/2021/01/CA-01-Capital-Assets-Policy-2022.pdf>
 - The revised appendix on previously provided funding continues, with a table requiring defined information on funding provided in prior budget cycles for specific purposes. If required, this section will be requested in writing.

- Details and explanations of all one-time revenue and expenses must be provided in the **Extra Submission Data** file (see Appendix C). Please note that contractually limited appointments (CLAs) are not considered to be a one-time expense unless the position will not continue.
- Reasons for major variances (>\$100K and 10%) of the 2024/25 projection and 2025/26 budget from original budget and prior year actual must be explained in the **Extra Submission Data** file.
- Details of transfers outside your envelope balancing to your submission must be provided in the **Extra Submission Data** file. **Before including a transfer in your budget you must confirm that the other side of the transfer has been budgeted.** The report template provided requests details on where the other side of the transfer is held.
- Hyperion will be used for entering and managing budgets. Information on how to use Hyperion is available in the Hyperion Resources section of the [Budgeting Services website](#). Training materials and resources are also available on the new Financial Affairs training hub at <https://mcmasteru365.sharepoint.com/sites/financetraining>. Additional personalized training sessions may be scheduled upon request throughout the summer.
- Assumptions for salary increases in accordance with collective agreements and benefit rates in accordance with rates approved by the Budget Committee will be loaded into Hyperion to facilitate calculation of the compensation budget. The 2025/26 budget in Hyperion will be entered in PeopleSoft GL after approval. Refer to Section 4.2 for more information.
 - The Adjusted Budget forms will be open for input to 2024/25 in Hyperion throughout the year. Any changes made in the Adjusted Budget dimension can be copied into the budget. Please refer to the training material on the Budgeting Services web site or contact your Budgeting Services representative (see Section 5) for more information.
 - Form 1.1.2.2 Existing Employees Override will accept changes to labour account numbers for budgeting purposes. Any changes to the HR system still require completion of the HR eForm.
- Appendix F **Frequently Asked Questions** will be updated as further questions arise and posted to the Budgeting Services web site.

3 SUBMISSION AND PRESENTATION TIMETABLE

The dates for the various budget envelope submissions and presentations are shown in the table below. The Vice-President of your envelope must review and approve your budget before it is forwarded to Budgeting Services. It is strongly encouraged that you share draft submission materials with your Budgeting Services support representative and have touchpoints with them throughout the budget submission process. Final materials must be submitted to Budgeting Services by the specified date for review at the following Budget Committee meeting. Workflow can be used in Hyperion to transfer control of the budget from submitter to approver within the envelope, if necessary. Please submit the final narrative and extra submission data file (in Word format) and financial report electronically to your Budgeting Services representative (see contact information in Section 5) for presentation to Budget Committee.

At the budget presentation, assume that the group has reviewed the material provided. Be prepared to highlight your key points, which should be limited to 10 minutes. Following your presentation there will be a up to 20 minutes scheduled for discussion of the budget submission and feedback from the Budget Committee, Deans, and Directors of Administration.

| Budget Envelope | Envelope Manager | Due in Budgeting Services | Send to Budget Committee | Budget Committee Presentation | Budget Committee Q&A Session only | Budget Committee Presentation If Requested |
|---|------------------------|---------------------------|--------------------------|-------------------------------|-----------------------------------|--|
| University Library & HS Library | V. Lewis/ P. O'Byrne | Oct 11, 2024 | Oct 23, 2024 | Nov 6, 2024 | | |
| Registrar/Undergraduate Scholarships | D. Fernandez | Oct 11, 2024 | Oct 23, 2024 | Nov 6, 2024 | | |
| Student Affairs | S. Van Koughnett | Oct 11, 2024 | Oct 23, 2024 | Nov 6, 2024 | | |
| VP Teaching and Learning Offices | K. Dej | Oct 11, 2024 | Oct 23, 2024 | Nov 6, 2024 | | |
| Graduate Studies/Scholarships | S. Hranilovic | Oct 11, 2024 | Oct 23, 2024 | Nov 6, 2024 | | |
| VP Academic | S. Tighe | Oct 11, 2024 | Oct 23, 2024 | | Nov 6, 2024 | |
| President incl. CMPA/ Strategic Support Fund | D. Farrar | Oct 11, 2024 | Oct 23, 2024 | | Nov 6, 2024 | |
| University Secretariat | D. Farrar | Oct 11, 2024 | Oct 23, 2024 | | Nov 6, 2024 | |
| VPOF Office with Internal Audit and Enterprise Risk | S. Fazilat | Oct 11, 2024 | Oct 23, 2024 | | Nov 6, 2024 | |
| Museum of Art | C. Podedworny | Oct 11, 2024 | Oct 23, 2024 | | | Nov 11, 2023 |
| University Advancement | L. Litwin | Oct 15, 2024 | Oct 25, 2024 | Nov 8, 2024 | | |
| Branding & Marketing Envelope | A. Farquhar | Oct 15, 2024 | Oct 25, 2024 | Nov 8, 2024 | | |
| Research | A. Knights | Oct 15, 2024 | Oct 25, 2024 | Nov 8, 2024 | | |
| Financial Affairs | O. Ahmed | Oct 18, 2024 | Oct 28, 2024 | Nov 11, 2024 | | |
| Human Resources/ Campus Safety Services | W. McKenna | Oct 18, 2024 | Oct 28, 2024 | Nov 11, 2024 | | |
| Legal | B. Davis | Oct 18, 2024 | Oct 28, 2024 | Nov 11, 2024 | | |
| Facilities Support envelopes | E. Kamarah | Oct 18, 2024 | Oct 28, 2024 | Nov 11, 2024 | | |
| UTS/Asset Management | G. Gray | Oct 18, 2024 | Oct 28, 2024 | Nov 11, 2024 | | |
| Non-academic Ancillaries | S. Fazilat / D. Martin | Mar 14, 2025 | Mar 21, 2025 | Mar 28, 2025 | | |
| Continuing Education | L. Carter | Mar 14, 2025 | Mar 21, 2025 | Mar 28, 2025 | | |
| Health Sciences | P. O'Byrne | Mar 14, 2025 | Mar 21, 2025 | Mar 28, 2025 | | |
| Arts and Science Program | B. Marquis | Mar 19, 2025 | Mar 26, 2025 | | | Apr 2, 2025 |
| Social Sciences | J. Hurley | Mar 19, 2025 | Mar 26, 2025 | Apr 2, 2025 | | |
| Science | G. Parise | Mar 19, 2025 | Mar 26, 2025 | Apr 2, 2025 | | |
| Humanities | P. Swett | Mar 19, 2025 | Mar 26, 2025 | Apr 2, 2025 | | |
| Engineering | H. Sheardown | Mar 19, 2025 | Mar 26, 2025 | Apr 2, 2025 | | |
| Business | K. Hassanein | Mar 19, 2025 | Mar 26, 2025 | Apr 2, 2025 | | |
| University Fund | S. Tighe | Mar 19, 2025 | Mar 26, 2025 | Apr 2, 2025 | | |

4 BUDGET SUBMISSIONS

The Budget Committee requests a written plan for all envelopes. Submissions that project an ongoing (structural) deficit (see Appendix C) must include a detailed plan as discussed with the Vice-President outlining how the deficit will be eliminated.

Envelope managers are encouraged to set priorities for their units. This means that envelope managers should prepare a summary for the total envelope and the choices that have been made among the different units within the envelope, rather than describing the activities of each individual unit.

4.1 NARRATIVE

- Updated narrative templates for activity and support units in Word format may be downloaded from the Budget Guidelines and Templates section of the Budgeting Services web site.
- Hyperion summary tables of budget, major variances and transfers to be included in the narrative and extra submission data, may be found in the Budget Guidelines and Templates section of the Budgeting Services web site.

4.2 HYPERION BUDGET ENTRY

Instructions on how to use the Hyperion system are available under the Hyperion Resources section of the [Budgeting Services website](#). The website also includes a section on [preparing budgets](#), including the various steps involved. Contact Budgeting Services budgeting@mcmaster.ca for one-on-one Hyperion training. One-on-one budgeting support is also available from your Budgeting Services representative (contact information in Section 5).

Hyperion Cheat sheet: Available on the Budgeting website is a cheat sheet which can be used as an aid when entering in Hyperion (<https://financial-affairs.mcmaster.ca/app/uploads/2023/04/Hyperion-Planning-Cheat-Sheet-v2.pdf>)

Important: Transfers must be entered at the account level in order to balance on a consolidated basis. Interest and debt repayment should also be entered at the account level.

For the 2023/24 projection, Hyperion will be pre-populated with all monthly actual revenue, expense and appropriation results up to the most recently closed month – May for Phase 1, and October for Phase 2. The remainder of the planning periods will be pre-populated as follows:

- Salaries and benefits are calculated using year-to-date actuals plus projections based on the current data for each employee.
 - In Phase 1 for support units, May actuals will be loaded into the 2024/25 projection, and Hyperion will project salaries and benefits for all years based on employee master data loaded from the HR system in June.
 - In Phase 1 for activity units, July actuals will be loaded into the 2024/25 projection, and Hyperion will project salaries and benefits for all years based on employee master data loaded from the HR system in August.
 - In Phase 2 for activity units only, actual results for May through October will be loaded into the 2024/25 projection, and Hyperion will project salaries and benefits for all years based on employee master data loaded from the HR system in November.

- Salaries and wages will be calculated using merit and step increase assumptions for each employee group.
- Benefits will be calculated using statutory and employer rates for each employee group and salary/wage level.
- Tables showing the rate assumptions are available in Hyperion under 1.2.1.2.5 Labour Source Data & Assumptions. This data is **STRICTLY CONFIDENTIAL**.
- Revenue and non-salary operating expense totals are based on the latest estimates.
 - In Phase 1 for both support and activity units, the 2024/25 projection and 2025/26 budget will be pre-populated with the original 2024/25 budget. 2026/27 and 2027/28 will be left blank. Plans for 2026/27 and 2027/28 are required by type of expense but do not need to be entered at the individual account level, with the exception of transfers, interest and debt repayment. During Phase 1, activity units are required to project 2024/25 results – future years are optional and will not be reviewed until Phase 2.
 - In Phase 2, revenue and non-salary operating expense totals are not updated. Any entry for future years entered during Phase 1 is preserved.
- Appropriations are updated to the actual amount.

All Smart View comments and supporting detail cells have been carried over from the previous budget cycle, however the numbers have been updated as described above.

- Numbers from the previous budget may be restored using the Smart View copy functions.
- Numbers in supporting detail cells may be restored by editing the supporting details and submitting.
- Instructions on how to use these functions are available in the Hyperion Resources section of the [Budgeting Services website](#), under Guides and other Reports

You will be notified when the forms and reports are available in Hyperion, expected to be by Friday June 28th for Phase 1 and the week of November 25th for activity units Phase 2. A formatted report for submission to the Budget Committee will be available in “Reports” in Hyperion.

4.3 REVENUES, RECOVERIES AND TRANSFERS

4.3.1 FRAMEWORK ALLOCATIONS

Support unit allocations for 2024/25 to 2027/28 are shown in Appendix A. Activity unit allocations will follow when revenue projections based on the November 1 count have been incorporated into the budget model.

Grant and tuition revenue from provincially-funded programs is based on IRA projections. To avoid double counting, envelope managers should not include revenue received through the framework in their budgets. Expenses related to enrolment growth should be budgeted.

Only 2025/26 allocations are approved as part of the budget process. Allocations for 2026/27 and 2027/28 are estimates for planning purposes only. Final adjustments to activity units’ 2023/24 allocations for actual revenue and enrolment will be made during the 2024/25 fiscal year.

4.3.2 OTHER REVENUE, RECOVERIES AND TRANSFERS

In addition to the budget framework allocation, envelopes generate other internal and external revenue and recoveries, and may have internal transfers within the University. External revenue and recoveries represent new money to the University, while internal revenue, recoveries and transfers move money around between departments.

Revenues include the possibility of a gain or loss. External revenues would include grants, sales, fees, donations, and sponsorships. Internal revenues are generated when one University unit provides goods or services to another and receives more than the direct cost (i.e. receives a profit or overhead factor). This would include lab fees, registration for McMaster conferences, and ancillary sales. External revenue is shown in Hyperion in categories: Government Grants, Tuition Fees, Research Overhead, Sales, and Investment Income. Internal revenue is included with Research Overhead and Internal Revenue in Hyperion.

Recoveries represent a reimbursement of an actual cost, with no possibility of gain or loss. Recoveries may be from internal or external sources. The amount received just recovers an amount already paid, with no profit or overhead built in. This commonly includes all or part of payroll, equipment or supply costs. Internal recoveries are included with Internal Revenue in Hyperion. External recovery accounts are shown in the Other Revenue category in Hyperion. Specific salary and benefit recoveries are categorized with salaries and benefits in Hyperion/PeopleSoft.

Transfers can be used for any internal transaction with the exception of internal revenue, and are included in the Transfer category in Hyperion. Generally, accounts on both sides of the entry must be the same. Please refer to Appendix E for a complete list of transfer accounts and a decision tree to determine the correct account to use. Any transfers budgeted must be confirmed with the envelope on the other side. A Hyperion report balancing to the transfers budgeted at the envelope level must be included in your **Extra Submission Data** file.

4.4 EXPENDITURES

Below are the salary, benefits, and operating expenditure guidelines to be used to develop the 2025/26 budget. Salary increase and benefit rate assumptions will be loaded into Hyperion along with data for each employee and will be used to calculate salary, benefit, and FTE forecasts.

4.4.1 SALARIES AND WAGES

Changes in faculty or staff complement should be budgeted on the expected effective date of the change (normally July 1 for faculty). Since the University's fiscal year is May 1 through April 30, this may result in less than a full year's expense and calculated FTE.

Salary and wage increase assumptions as approved by the Budget Committee have been built into Hyperion. These assumptions are based on the collective agreements currently in effect, government directives, and future across-the-board increases. Any lump sums included in collective agreements have not been included in increase rates and should be budgeted as a hedge. **Salary increase assumptions are for modelling purposes only.**

Tenure stream (tenure track and tenured), special stream (CAWAR), teaching stream (teaching track and permanent teaching), contractually-limited appointments (CLAs), graduate teaching assistants and undergraduate teaching assistants should be budgeted in separate accounts.

A complete list of salary accounts and related benefit accounts is provided in Appendix D, along with a table of all union groups and the correct account(s) to use for each.

4.4.2 BENEFITS

The benefit costs charged to departments consist of the employer share of statutory government remittances, pension contributions, insurance and surcharges. Employee Benefits Task Force 2 (BTF2) was established in 2018 to address two key topics. The first topic included reviewing the current benefit rates as to their competitiveness and to see if they could be reduced going forward. The second topic included a review of the principles and methodologies which the university is using to allocate employee benefit costs to departments and projects with recommendations for changes where appropriate. As a result of the BTF2 recommendations, the average rate (defined as a TMG employee in the defined benefit plan earning \$90,000 per year) was reduced to below 30%.

For 2024/25, the employer contribution to the pension plan is 110% of employees' contributions for the year; as a result of the latest actuarial valuation filed with the Province. For 2025/26 budget year this rate remains at 110%. For 2026/27 and 2027/28 high level planning should assume 110%.

Other changes from the task force first introduced five years ago include:

- The MUFA Child Care Surcharge changed from a percentage of salary rate to a flat dollar rate, since the benefit to individual employees does not depend on salary level. The rate to be charged for 2025/26 is \$375 per employee; for planning purposes, the rate in 2026/27 and 2027/28 should assume a rate of \$375 per employee.
- Paid Education Leave (PEL) and Social Justice Fund, previously charged to the benefits surcharge, are charged directly to departments similar to CPP.

The extended health and dental premiums increase by 34.42% for 2025/26; premium increases for 2026/27 and 2027/28 are projected at 8% per year. Post-pandemic trends show that health and dental costs are increasing, in total and per employee, at a faster pace than in the past. Contributing factors include growth in the number of employees and retirees, a substantial increase in utilization, particularly for mental health care and other paramedicals, and negotiated benefit improvements including Healthcare Spending Accounts for a number of employee groups, and inflation.

The MUFA and TMG dependents/spouse external tuition bursary/reimbursement program for undergraduate and graduate programs where the student is enrolled at an accredited post-secondary institution within Canada, other than McMaster came into effect July 1, 2019 with first payments in fall 2020. These are included in new benefit surcharge. The rate to be charged in 2024/25 will be \$225.00 per employee (MUFA) and \$150 per employee (TMG); the rate in 2025/26 will drop to \$220 per employee (MUFA) and \$140 per employee (TMG). For planning purpose, the rate for 2026/27 and 2027/28 remains at \$220 (MUFA) and \$140 (TMG).

Tables showing the components and computation of benefit rates are available in the Benefit Rates section of the Budgeting Services web site. <https://financial-affairs.mcmaster.ca/benefit-tables/> The rates in these tables are used in the Hyperion labour planning module to calculate benefits based on salary level. Changes to actual charge-out rates are possible if more information becomes available.

4.4.3 PROFESSIONAL DEVELOPMENT ALLOWANCES

| | |
|-----------------------------|------------------|
| MUFA Faculty PDA – May 1/24 | \$2,900 per year |
| MUFA Faculty PDA – May 1/25 | \$2,900 per year |
| MUFA Faculty PDA – May 1/26 | \$2,900 per year |
| MUFA Faculty PDA – May 1/27 | \$2,900 per year |

| | |
|--------------------------------|------------------|
| MUFA Librarian PDA – May1/24 | \$2,450 per year |
| MUFA Librarian PDA – May1/25 | \$2,450 per year |
| MUFA Librarian PDA – May1/26 | \$2,450 per year |
| MUFA Librarian PDA – May1/27 | \$2,450 per year |
| MUALA Librarian PDA – May 1/24 | \$2,500 per year |
| MUALA Librarian PDA – May 1/25 | \$2,500 per year |
| MUALA Librarian PDA – May 1/26 | \$2,500 per year |
| MUALA Librarian PDA – May 1/27 | \$2,500 per year |
| TMG | \$2,500 per year |

4.4.4 NON-SALARY EXPENSES

4.4.4.1 OCCUPANCY COST

For ancillary and support units' occupancy costs, base space charges are aligned with the budget model. Base services provided by Facility Services are incorporated into the rent rates. There will continue to be additional charges for enhanced and special services as negotiated by each unit. For details of rent calculations, contact your Budgeting Services representative (contact information in Section 5). Insurance will be charged separately based on actual premiums paid.

Costs of space are assigned based on the prior year actual space inventory (on a slip-year basis) unless otherwise notified by Budgeting Services for large new buildings opening mid-year. Changes in assigned space will be reflected in the following year's projections, thus occupancy cost adjustments for approved relinquished space will take effect for the next budget cycle. Any unit wishing to relinquish underutilized space should provide information on the type and amount of space and the desired timeframe for relinquishing it to their envelope Vice-President. The VPs will assess if the relinquished space is of a type and configuration that would be usable by another unit. The VP and/or Space Management Committee will make all reasonable attempts to match the space to known needs expressed by other units, however, the unit to which the space was originally assigned will remain responsible for the occupancy cost until the end of the next budget cycle.

4.4.4.2 CAPITAL EQUIPMENT

Please refer to the capitalization policy and provide an explanation of significant expenditures. Asset categories, dollar thresholds and account numbers are summarized in Appendix F.

4.4.4.3 SCHOLARSHIPS AND BURSARIES

Identify separately all amounts paid directly to students.

4.4.4.4 SUPPLIES AND EXPENSES

All non-salary expenditure not itemized above. Please note that Microsoft software is now provided through McMaster's site license. The cost of individual licenses should not be budgeted.

4.5 EMPLOYEE FULL-TIME EQUIVALENT (FTE)

FTEs will be calculated by Hyperion based on the hours forecast for each employee. This calculation will be consistent with the FTEs used as a driver in the budget model, which includes hours worked by all employees as recorded in the HR payroll system through salary accounts. FTEs are the actual time worked compared to standard hours for that position. For example, if a department has 3 part-time employees working a total of 70 hours per week with standard 35 hours per week, the department has 2 FTEs.

Information about actual paid FTEs for all employee groups is available to envelope managers through Hyperion. Please note that FTEs for TAs and sessional faculty are based on a standard 1,825 hour year and not on head count, i.e. a full-time TA of 266 hours is a 0.15 FTE, and a sessional lecturer teaching 3 units at a standard of 238 hours is a 0.13 FTE.

Please refer to the FAQs in Appendix F for additional details on FTEs.

4.6 OPERATING SURPLUS (DEFICIT)

The expectation of the Budget Committee is that the envelope is in either surplus or balanced position in each fiscal year. Envelopes with an operating deficit should bring forward a plan as discussed with the Vice-President on how to achieve a balanced budget. Carry forward amounts are not meant to be used to support ongoing operations.

4.7 APPROPRIATIONS

Appropriations are calculated on the budget submission report. The in-year operating surplus (deficit) is added/subtracted to the opening envelope appropriation to determine the ending balance at April 30th.

4.8 REALLOCATION REQUESTS

The Budget Committee will not be accepting any reallocation requests as part of the budget submission. The Budget Committee will examine the unusual and significant cost pressures that have been absorbed in your envelope and the implications for your unit's mission as provided in the budget document template Section 1.

5 CONTACT INFORMATION

If you have any questions or concerns regarding the Operating Budget please contact the Budgeting Services representative for your area:

| | | |
|---|-----------------|--|
| Facilities Services, Research, Libraries, Engineering, Health Sciences | Tanya Thompson | tthomps@mcmaster.ca |
| Registrar, Student Affairs (incl. Athletics and Recreation), UG Scholarships, Legal Services, Museum of Art, Humanities, VP Operations & Finance | Paola Morrone | morronep@mcmaster.ca |
| Advancement, Financial Affairs, President (incl. CMPA), VP Academic departments, VP Teaching & Learning, School Of Graduate Studies, Business, Social Sciences, Science, Arts & Science program | Chris Sylvester | sylvest@mcmaster.ca |
| Human Resources, UTS, Campus Safety Services | Erick Jannini | janninie@mcmaster.ca |

The Budget Committee continues to appreciate the efforts that have been made in terms of looking for efficiencies and cost savings and would like to thank you in advance for your continued commitment and effort in building a fiscally sound and accountable budget that will continue to provide a secure future for McMaster.

APPENDIX A – BUDGET ALLOCATION FRAMEWORK

Faculties

TBD – December 2024/ January 2025

Support Units

| \$000's | 2023/24 base fwd | Allocation Reduction | Base allocations | 2024/25 base | 2024/25 one-time | 2024/25 total | Base allocations | 2025/26 base | 2025/26 one-time | 2025/26 total | Base allocations | 2026/27 base | 2026/27 one-time | 2026/27 total | Base allocations | 2027/28 base | 2027/28 one-time | 2027/28 total |
|---|---------------------|-------------------------|---------------------|-----------------|---------------------|------------------|---------------------|-----------------|---------------------|------------------|---------------------|-----------------|---------------------|------------------|---------------------|-----------------|---------------------|------------------|
| Academic Support | | | | | | | | | | | | | | | | | | |
| VP Academic | 8,788 | (147) | 710 | 9,351 | 1,000 | 10,351 | - | 9,351 | - | 9,351 | - | 9,351 | - | 9,351 | - | 9,351 | - | 9,351 |
| Museum of Art | 703 | (39) | - | 664 | - | 664 | - | 664 | - | 664 | - | 664 | - | 664 | - | 664 | - | 664 |
| VP Teaching and Learning Offices | 5,203 | (196) | - | 5,007 | - | 5,007 | - | 5,007 | - | 5,007 | - | 5,007 | - | 5,007 | - | 5,007 | - | 5,007 |
| University Library | 23,972 | (391) | 400 | 23,981 | 1,432 | 25,413 | 400 | 24,381 | - | 24,381 | 400 | 24,781 | - | 24,781 | - | 24,781 | - | 24,781 |
| Health Sciences Library | 5,221 | (94) | - | 5,127 | - | 5,127 | - | 5,127 | - | 5,127 | - | 5,127 | - | 5,127 | - | 5,127 | - | 5,127 |
| Registrar | 8,802 | (403) | - | 8,399 | - | 8,399 | - | 8,399 | - | 8,399 | - | 8,399 | - | 8,399 | - | 8,399 | - | 8,399 |
| Sub-total | 52,689 | (1,270) | 1,110 | 52,529 | 2,432 | 54,961 | 400 | 52,929 | - | 52,929 | 400 | 53,329 | - | 53,329 | - | 53,329 | - | 53,329 |
| Research Support | | | | | | | | | | | | | | | | | | |
| Research | 13,717 | (509) | (568) | 12,640 | - | 12,640 | - | 12,640 | - | 12,640 | - | 12,640 | - | 12,640 | - | 12,640 | - | 12,640 |
| VP Research Discretionary Fund | 2,651 | - | - | 2,651 | - | 2,651 | - | 2,651 | - | 2,651 | - | 2,651 | - | 2,651 | - | 2,651 | - | 2,651 |
| Nuclear Reactor | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-total | 16,368 | (509) | (568) | 15,291 | - | 15,291 | - | 15,291 | - | 15,291 | - | 15,291 | - | 15,291 | - | 15,291 | - | 15,291 |
| Student Support | | | | | | | | | | | | | | | | | | |
| Graduate Scholarships/Bursaries | 15,888 | - | - | 15,888 | - | 15,888 | - | 15,888 | - | 15,888 | - | 15,888 | - | 15,888 | - | 15,888 | - | 15,888 |
| School of Graduate Studies | 2,652 | (87) | 153 | 2,718 | 1,735 | 4,453 | 145 | 2,863 | - | 2,863 | - | 2,863 | - | 2,863 | - | 2,863 | - | 2,863 |
| Student Affairs | 7,732 | (247) | 745 | 8,230 | - | 8,230 | - | 8,230 | - | 8,230 | - | 8,230 | - | 8,230 | - | 8,230 | - | 8,230 |
| Undergraduate Scholarships | 14,425 | - | (233) | 14,192 | - | 14,192 | (67) | 14,125 | - | 14,125 | (53) | 14,072 | - | 14,072 | - | 14,072 | - | 14,072 |
| Sub-total | 40,697 | (334) | 665 | 41,028 | 1,735 | 42,763 | 78 | 41,106 | - | 41,106 | (53) | 41,053 | - | 41,053 | - | 41,053 | - | 41,053 |
| Facilities Support | | | | | | | | | | | | | | | | | | |
| Facilities Services | 18,842 | (758) | - | 18,084 | 200 | 18,284 | - | 18,084 | 200 | 18,284 | - | 18,084 | - | 18,084 | - | 18,084 | - | 18,084 |
| HSC Maintenance | 4,574 | - | 86 | 4,660 | - | 4,660 | 78 | 4,738 | - | 4,738 | - | 4,738 | - | 4,738 | - | 4,738 | - | 4,738 |
| Utilities & Energy Management | 27,598 | (95) | 280 | 27,783 | - | 27,783 | 110 | 27,893 | - | 27,893 | - | 27,893 | - | 27,893 | - | 27,893 | - | 27,893 |
| Deferred Maintenance | 11,593 | - | 1,300 | 12,893 | - | 12,893 | - | 12,893 | - | 12,893 | - | 12,893 | - | 12,893 | - | 12,893 | - | 12,893 |
| Bond Interest | 15,159 | - | - | 15,159 | - | 15,159 | - | 15,159 | - | 15,159 | - | 15,159 | - | 15,159 | - | 15,159 | - | 15,159 |
| Renovation contingency | 974 | - | - | 974 | 300 | 1,274 | - | 974 | 300 | 1,274 | - | 974 | 300 | 1,274 | - | 974 | 300 | 1,274 |
| Campus Safety Services | 2,847 | (110) | - | 2,737 | - | 2,737 | - | 2,737 | - | 2,737 | - | 2,737 | - | 2,737 | - | 2,737 | - | 2,737 |
| Sub-total | 81,587 | (963) | 1,666 | 82,290 | 500 | 82,790 | 188 | 82,478 | 500 | 82,978 | - | 82,478 | 300 | 82,778 | - | 82,478 | 300 | 82,778 |
| Institutional Support | | | | | | | | | | | | | | | | | | |
| VP OF (incl. Internal Audit & Risk) | 3,741 | (103) | - | 3,638 | - | 3,638 | - | 3,638 | - | 3,638 | - | 3,638 | - | 3,638 | - | 3,638 | - | 3,638 |
| Financial Affairs | 4,439 | (314) | - | 4,125 | - | 4,125 | - | 4,125 | - | 4,125 | - | 4,125 | - | 4,125 | - | 4,125 | - | 4,125 |
| Human Resources | 11,587 | (399) | - | 11,188 | - | 11,188 | - | 11,188 | - | 11,188 | - | 11,188 | - | 11,188 | - | 11,188 | - | 11,188 |
| UTS | 22,310 | (555) | 967 | 22,722 | - | 22,722 | - | 22,722 | - | 22,722 | - | 22,722 | - | 22,722 | - | 22,722 | - | 22,722 |
| UTS Asset Management | 1,688 | - | - | 1,688 | - | 1,688 | - | 1,688 | - | 1,688 | - | 1,688 | - | 1,688 | - | 1,688 | - | 1,688 |
| UTS Licenses (TBD) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| University Secretariat | 1,194 | (50) | 285 | 1,429 | - | 1,429 | - | 1,429 | - | 1,429 | - | 1,429 | - | 1,429 | - | 1,429 | - | 1,429 |
| President | 4,201 | (147) | - | 4,054 | - | 4,054 | - | 4,054 | - | 4,054 | - | 4,054 | - | 4,054 | - | 4,054 | - | 4,054 |
| University Advancement | 3,445 | (274) | 500 | 3,671 | 500 | 4,171 | 500 | 4,171 | 1,000 | 5,171 | 500 | 4,671 | 1,500 | 6,171 | - | 4,671 | - | 4,671 |
| Legal | 6,398 | (31) | - | 6,367 | - | 6,367 | - | 6,367 | - | 6,367 | - | 6,367 | - | 6,367 | - | 6,367 | - | 6,367 |
| General University | 4,979 | - | 1,100 | 6,079 | 118 | 6,197 | - | 6,079 | - | 6,079 | - | 6,079 | - | 6,079 | - | 6,079 | - | 6,079 |
| Sub-total | 63,982 | (1,873) | 2,852 | 64,961 | 618 | 65,579 | 500 | 65,461 | 1,000 | 66,461 | 500 | 65,961 | 1,500 | 67,461 | - | 65,961 | - | 65,961 |
| Institutional Priority allocations | | | | | | | | | | | | | | | | | | |
| Technology Renewal | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Pension/post-retirement benefits | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Supplemental pension | 4,738 | - | - | 4,738 | - | 4,738 | - | 4,738 | - | 4,738 | - | 4,738 | - | 4,738 | - | 4,738 | - | 4,738 |
| Pension special payments | 3,054 | - | (1,500) | 1,554 | - | 1,554 | - | 1,554 | - | 1,554 | - | 1,554 | - | 1,554 | - | 1,554 | - | 1,554 |
| Post-retirement benefits past service | 5,000 | - | (5,000) | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Branding and Marketing | 3,064 | (51) | - | 3,013 | 1,000 | 4,013 | - | 3,013 | - | 3,013 | - | 3,013 | - | 3,013 | - | 3,013 | - | 3,013 |
| President's Strategic Support Fund | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Sub-total | 15,856 | (51) | (6,500) | 9,305 | 1,000 | 10,305 | - | 9,305 | - | 9,305 | - | 9,305 | - | 9,305 | - | 9,305 | - | 9,305 |
| Total support units | 271,179 | (5,000) | (775) | 265,404 | 6,285 | 271,689 | 1,166 | 266,570 | 1,500 | 268,070 | 847 | 267,417 | 1,800 | 269,217 | - | 267,417 | 300 | 267,717 |

APPENDIX B – 2025/26 BUDGET CYCLE TIMELINES

| Week of | IRA | Budgeting Services | Support Units | Budget Committee | Deans | Activity Units | Ancillary Units | |
|-----------|--|---|--|--|--|---|---|--|
| Jun 17/24 | | | | | | | | |
| Jun 24/24 | | Issue support unit guidelines - June 28th | | Approve FY25 benefits & support unit guidelines - June 26th | | | | |
| Jul 1/24 | | | Work on budgets (15 weeks) | | | Work on 5 Month Review (Hyperion read only - 6 Weeks) | | |
| Jul 8/24 | | | | | | | | |
| Jul 15/24 | | | | | | | | |
| Jul 22/24 | | | | | | | | |
| Jul 29/24 | | | | | | | | |
| Aug 5/24 | | | | | | | | |
| Aug 12/24 | | | | | | | Work on 5 Month Review (Hyperion available - 10 Weeks - Later start as continuing hold back of Hyperion entry for July HR data - Faculties request) | |
| Aug 19/24 | | | | | | | | |
| Aug 26/24 | | | | | | | | |
| Sep 2/24 | | | | | | | | |
| Sep 9/24 | Finalize and provide FY 24 Actual FY25 estimated revenue | | | | | | | |
| Sep 16/24 | | | | | | | | |
| Sep 23/24 | | | | | | | | |
| Sep 30/24 | | | | | | | | |
| Oct 7/24 | | Issue FY24 actual & FY25 estimated allocations - Target Oct 7th | | | | | | |
| Oct 14/24 | | | Budget submissions due | | | | | |
| Oct 21/24 | | Send support unit submissions to BC | | Review support unit submissions | | 5 Month Review due - by Oct 25th | | |
| Oct 28/24 | | | | | | | | |
| Nov 4/24 | | | Support unit budget presentations Nov 6th/8th/11th | | | | | |
| Nov 11/24 | | | | Provided 5 Month Review - Nov 11th | | | | |
| | | | | Approve activity and ancillary unit guidelines without allocations/ Template | | | | |
| Nov 18/24 | Finalize enrolment and revenue estimates - by Nov 22 | Issue activity and ancillary unit guidelines without allocations - Nov 22nd | Resubmissions due if necessary | | Feedback & Prioritization on presentations and funding requests due Nov 18th | | | |
| | | Send support unit resubmissions to Budget Committee if necessary | | | | | | |
| Nov 25/24 | | | | Rank unfunded priorities | | | | |
| | | | | Receive support unit resubmissions if necessary | | | | |
| Dec 2/24 | | Begin Revision of budgets for draft funded priorities | | | | Work on budgets (15 weeks) | Work on budgets (15 weeks) | |
| Dec 9/24 | Issue activity unit metrics | Review draft allocations with BPCC - Dec 12th TBC | | | | | | |
| Dec 16/24 | | Issue draft activity unit allocations to Faculties - Target Dec 16th | | | | | | |
| Dec 23/24 | | | | | | | | |
| Dec 30/24 | | | | | | | | |
| Jan 6/25 | | Send activity unit allocations to Budget Committee | | | | | | |
| Jan 13/25 | | | | Review activity unit allocations | | | | |
| Jan 20/25 | | | | | | | | |
| Jan 27/25 | | | | Response to Deans' written feedback due | | | | |
| Feb 3/25 | | | | | | | | |
| Feb 10/25 | | | | | | | | |
| Feb 17/25 | | | | | | | | |
| Feb 24/25 | Update revenue | | | | | | | |
| Mar 3/25 | | | | | | | | |
| Mar 10/25 | | | | | | Budget submissions due - March 14th and 19th | | |
| Mar 17/25 | | Send budget submissions to Budget Committee & Deans - March 21st and March 26th | | Review activity & ancillary unit submissions | | | | |
| Mar 24/25 | | | | | | | | |
| Mar 31/25 | | | Activity & ancillary unit presentations Mar 28th and Apr 2nd | | | | | |
| Apr 7/25 | | Send Fund 20/30/45 budget tables | | | | Budget resubmissions due if necessary (Apr 9th) | | |
| Apr 14/25 | | | | Review Draft Fund 20/30/45 budget tables | | | | |
| | | | | Receive resubmissions if necessary | | | | |
| Apr 21/25 | | Send final consolidated budget | | | | | | |
| Apr 28/25 | | | | Approve final consolidated budget | | | | |

APPENDIX C – ONGOING VS. ONE-TIME REVENUE AND EXPENDITURE GUIDELINES

It is important to separate one-time from ongoing items within budget reporting to be able to clearly identify if a unit’s funding/revenue can sustain its level of operations on a continual basis.

Ongoing expenditures

An ongoing item is one that is incurred in the normal operations of a unit. It is a part of the regular activities and required on a continual basis for the efficient and productive running of the unit. Examples would be salaries and benefits for permanent employees, supplies, telecommunications, printing, computer purchases (if done on a rotating basis through the unit), and travel.

One-Time Expenditures

One-time items are those that would occur within a single reporting period and which are unlikely to recur in the future, although they could cross over multiple reporting periods. These would be items that are not part of the normal activities of a unit. Examples would be severance payments, consultants/contractual staffing used for a specific time-defined project, computer purchase that would be large and one-time (system replacements), large capital purchases, large renovations.

Structural Deficit

A structural deficit occurs when the regular ongoing costs within a unit exceed the regular ongoing revenue/allocation for that unit. This means that the income is not sufficient to cover the costs of regular ongoing operations. A structural deficit in the ongoing operations of a unit cannot be sustained as it shows that the unit will not be able to cover its costs on a continual basis. A deficit in the ongoing operations of a unit may not be considered a structural deficit if there is a reasonable strategy to address the deficit.

One-Time Deficit

A budget deficit may be incurred in a particular year within an area due to one-time expenses. This does not mean that the deficit will occur in all years, as the expenses will reduce to normal levels once the one-time event has been completed.

| | Structural deficit | | | One-time deficit | | |
|------------------------------|--------------------|----------|-------|------------------|----------|-------|
| | Ongoing | One-time | Total | Ongoing | One-time | Total |
| Year 1 | | | | | | |
| Revenue | 1,000 | 50 | 1,050 | 1,000 | 50 | 1,050 |
| Expenses | 1,050 | | 1,050 | 950 | 150 | 1,100 |
| Surplus (deficit) | (50) | 50 | 0 | 50 | (100) | (50) |
| Year 2 | | | | | | |
| Revenue | 1,000 | 0 | 1,000 | 1,000 | 0 | 1,000 |
| Expenses | 1,050 | | 1,050 | 950 | | 950 |
| Surplus (deficit) | (50) | 0 | (50) | 50 | 0 | 50 |
| Cumulative surplus (deficit) | (100) | 50 | (50) | 100 | (100) | 0 |

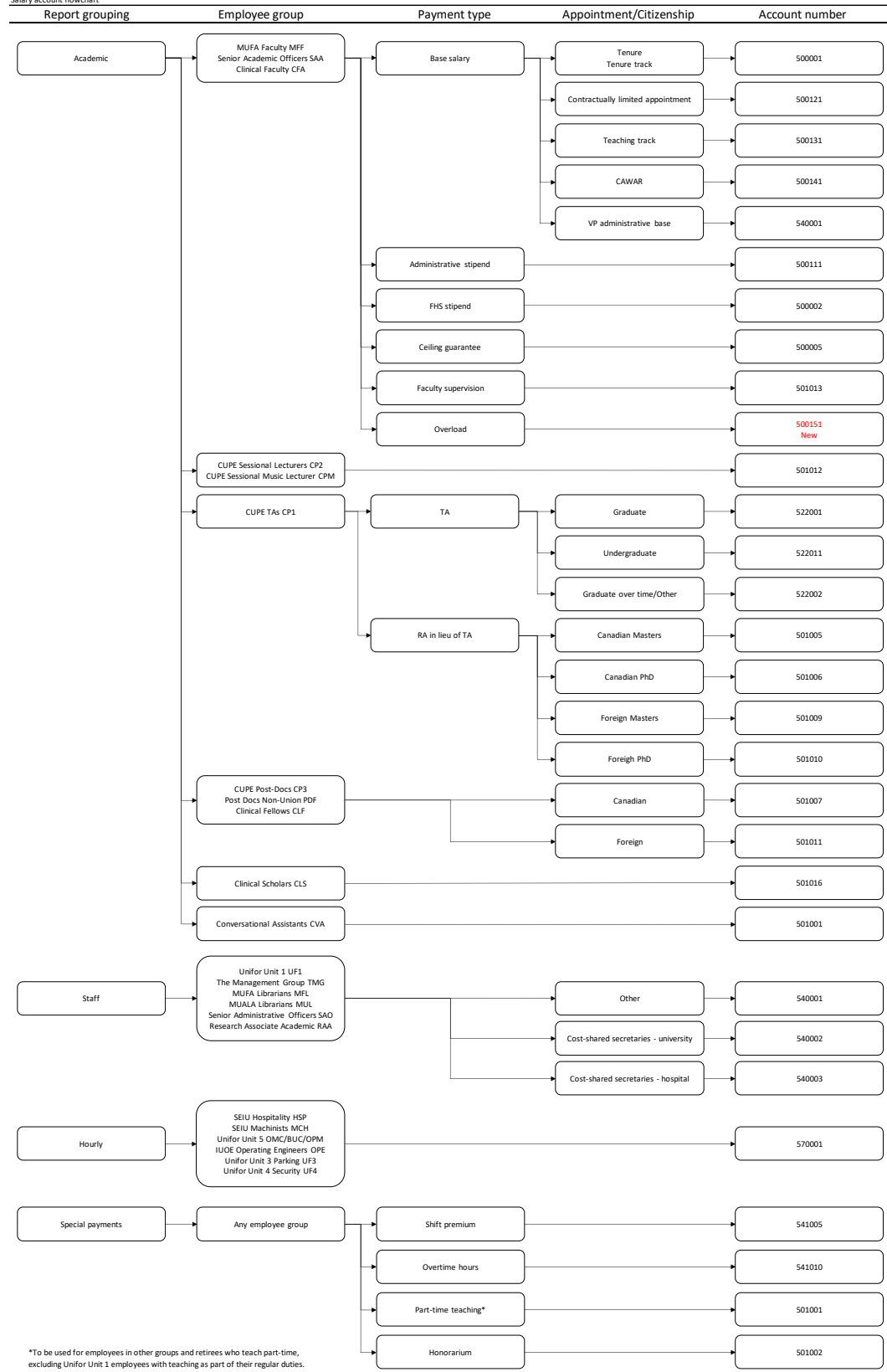
A structural deficit will continue to build and is unsustainable.

A one-time deficit can be covered by surpluses in other years.

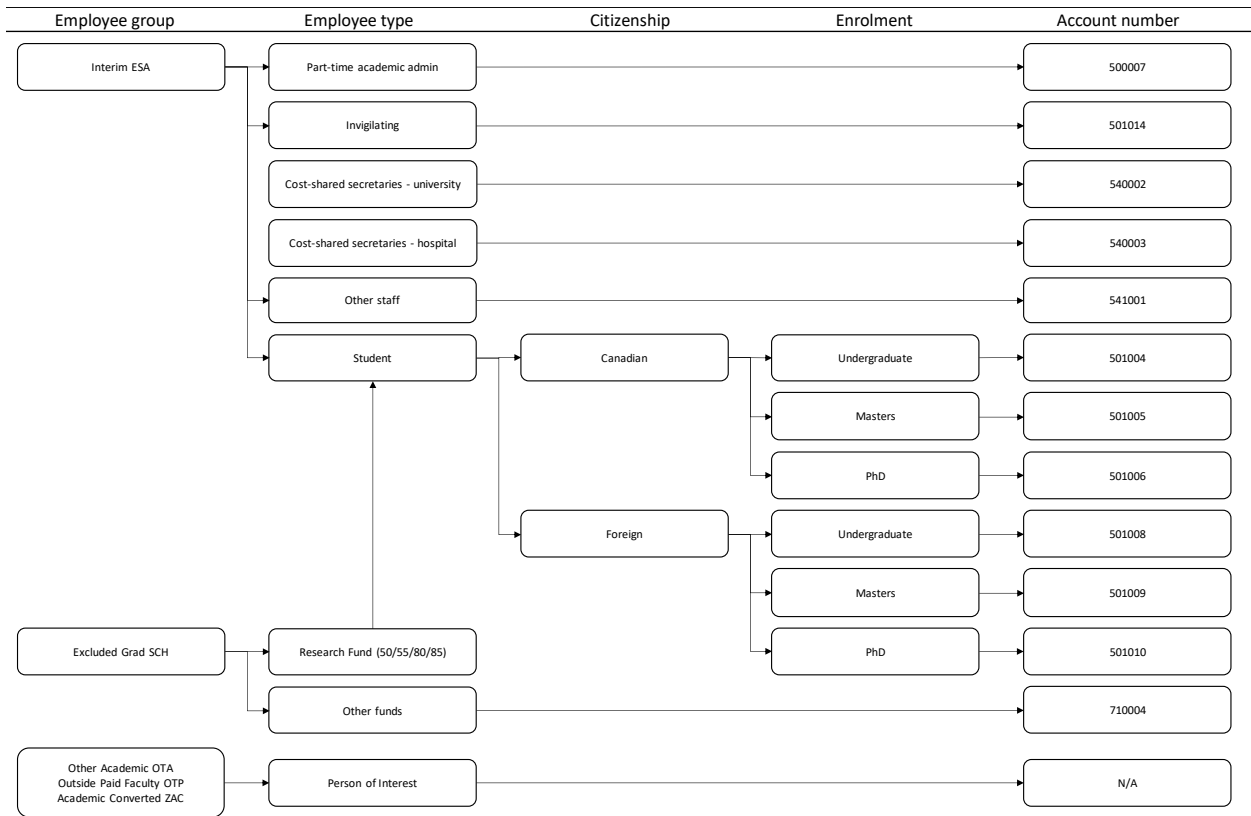
APPENDIX D – LABOUR/BENEFIT ACCOUNT MAPPING

McMaster University
Salary account flowchart

March 2022



*To be used for employees in other groups and retirees who teach part-time, excluding Unifor Unit 1 employees with teaching as part of their regular duties.



| Salary Account | Description | Benefit Account | Description |
|-------------------------------|--------------------------------|-----------------|---------------------------------|
| ACADEMIC FULL-TIME | | | |
| 500001 | Academic Full Time Salary | 510001 | Benefits Academic FT |
| 500005 | Academic Ceil GUAR/Other | 510005 | FB PT Other Academic |
| 500131 | Academic Teach Track | 510131 | FB Academic - Teach Track |
| ACADEMIC STIPENDS | | | |
| 500111 | Academic Admin Stipend | 510001 | Benefits Academic FT |
| 500002 | Academic FHS Stipend | 510002 | FB Academic FHS Stipend |
| 500151 | Academic Overload | 510151 | FB Academic Overload |
| ACADEMIC CLA | | | |
| 500121 | Academic - CLA | 510121 | FB Academic - CLA |
| ACADEMIC CAWAR | | | |
| 500141 | Academic - Cawar | 510141 | FB Academic - CAWAR |
| ACADEMIC PART-TIME | | | |
| 501001 | Academic Salary Part Time | 511009 | FB PT Academic |
| 501002 | Honoraria Academic Part Time | 511010 | FB PT Other Academic |
| 501004 | Salary Undergrad Student Can | 511001 | FB PT Undergrad Student - CDN |
| 501005 | Salary Masters Student Can | 511002 | FB PT Masters Student - CDN |
| 501006 | Salary PhD Student Can | 511004 | FB PT Ph.D Student - CDN |
| 501007 | Salary PostDoc Fellows | 511003 | FB PT PostDoc Fellow - CDN |
| 501008 | Salary Undergrad Studt Foreign | 511005 | FB PT Undergrad Stud - Foreign |
| 501009 | Salary Masters Student Foreign | 511006 | FB PT Masters Student - Foreign |
| 501010 | Salary PhD Student Foreign | 511008 | FB PT Ph.D Student - Foreign |
| 501011 | Salary PostDoc Fellows Foreign | 511007 | FB PT PostDoc Fellow - Foreign |
| 501012 | Salary Session Lecture PT | 511011 | FB Sessional Lecturer |
| 501013 | Faculty supervision | 511013 | FB Faculty Supervision |
| 501014 | Invigilating | 511014 | FB Invigilating |
| 501016 | Clinical Scholars | 511016 | FB Clinical Scholars |
| TA | | | |
| 522001 | TA-Graduate In Time FT | 532001 | FB TA-Graduate In Time FT |
| 522002 | TA-Grad OverTime/Non Mac | 532002 | FB TA-Grad OverTime/Non Mac |
| 522011 | TA- Undergraduate | 532011 | FB TA- Undergraduate |
| NON-ACADEMIC FULL-TIME | | | |
| 540001 | Support Salaries FT | 550001 | Benefits Support Full Time |
| 540002 | Supports C/S Sec | 550020 | FB Support C/S |
| 540003 | Support Clinical Educ/Hospital | 550020 | FB Support C/S |
| 570001 | Hourly Staff Wages | 571001 | FB Hourly Staff Wages |
| NON-ACADEMIC PART-TIME | | | |
| 541001 | Support Salaries Part Time | 551001 | FB Support PT |
| 541005 | Shift Premiums PT | 551001 | FB Support PT |
| 541007 | Transcriptions SA | 551050 | Benefits Support Full Time |
| 541010 | Support Salaries PT Overtime | 551010 | FB Support Staff OverTime |
| 541051 | For MACVIP Clearing Errors | 551050 | FB Support Other PT |
| 541099 | Invalid Combo HCM Earnings | 551099 | Invalid Combo HCM Deductions |

Salary accounts by union group

| Code | Union Group | Account |
|------|--|---|
| CFA | Clinical Faculty | 500001 Academic Full Time |
| | | 500005 Academic Ceiling Guarantee |
| | | 500131 Academic Teaching Track |
| | | 500111 Academic Admin Stipend |
| | | 500002 Academic FHS Stipend |
| | | 500121 Academic Contractually Limited Appointment |
| | | 500141 Academic CAWAR |
| CLF | Clinical Fellows | 501007 Salary Post-Doctoral Fellows |
| CLS | Clinical Scholar | 501016 Clinical Scholars |
| CP1 | Teaching Assistants CUPE Unit 1 | 522001 TA Graduate In Time FT |
| | | 522002 TA Graduate Over Time/Non Mac |
| | | 522011 TA Undergraduate |
| CP2 | Sessional Faculty CUPE Unit 2 | 501012 Salary Sessional Lecture PT |
| CP3 | Post-Doctoral Fellows CUPE Unit 3 | 501007 Salary Post-Doctoral Fellows |
| | | 501011 Salary Post-Doctoral Fellows - Foreign |
| CPM | Sessional Music Faculty CUPE Unit 2 | 501001 Academic Salary PT |
| CVA | Conversational Assistants | 501001 Academic Salary PT |
| ESA | Interim | 500007 Part time academic admin |
| | | 500014 Invigilating |
| | | 541001 Other staff |
| | | 501004 STUDENT - Undergraduate CDN |
| | | 501005 STUDENT - Masters CDN |
| | | 501006 STUDENT - PhD CDN |
| | | 501008 STUDENT - Undergraduate Foreign |
| | | 501009 STUDENT - Master Foreign |
| | | 501010 STUDENT - PHD Foreign |
| HSP | Hospitality SEIU | 570001 Hourly Staff Wages |
| MCH | Machinists SEIU | 570001 Hourly Staff Wages |
| MFF | MUFA Faculty | 500001 Academic Full Time |
| | | 500005 Academic Ceiling Guarantee |
| | | 500131 Academic Teaching Track |
| | | 500111 Academic Admin Stipend |
| | | 500002 Academic FHS Stipend |
| | | 500121 Academic Contractually Limited Appointment |
| | | 500141 Academic CAWAR |
| MFL | MUFA Librarians | 540001 Support Salaries FT |
| MUL | MUALA | 540001 Support Salaries FT |
| OPE | IUOE Operating Engineers | 570001 Hourly Staff Wages |
| OTA | Other Academic Persons of Interest | 500001 Academic Full Time |
| | | 501001 Academic Salary PT |
| OTP | Outside Paid Faculty | N/A |
| PDF | Post-Doctoral Fellows Non-Union | 501007 Salary Post-Doctoral Fellows |
| | | 501011 - Salary Post-Doctoral Fellows - Foreign |
| RAA | Research Associate Academic | 541001 Support Salaries PT |
| SAA | Senior Academic Officers | 500001 Academic Full Time Salary |
| SAO | Senior Administrative Officers | 540001 Support Salaries FT |
| TMG | TMG | 540001 Support Salaries FT |
| UF1 | Staff Unifor Unit 1 | 540001 Support Salaries FT |
| UF3 | Parking Unifor Unit 3 | 570001 Hourly Staff Wages |
| UF4 | Security Unifor Unit 4 | 570001 Hourly Staff Wages |
| UF5 | Operations & Maintenance BUC Facility Services casual | 570001 Hourly Staff Wages |
| ZAC | Academic Converted | 501001 Academic Salary PT |

APPENDIX E – TRANSFER ACCOUNTS

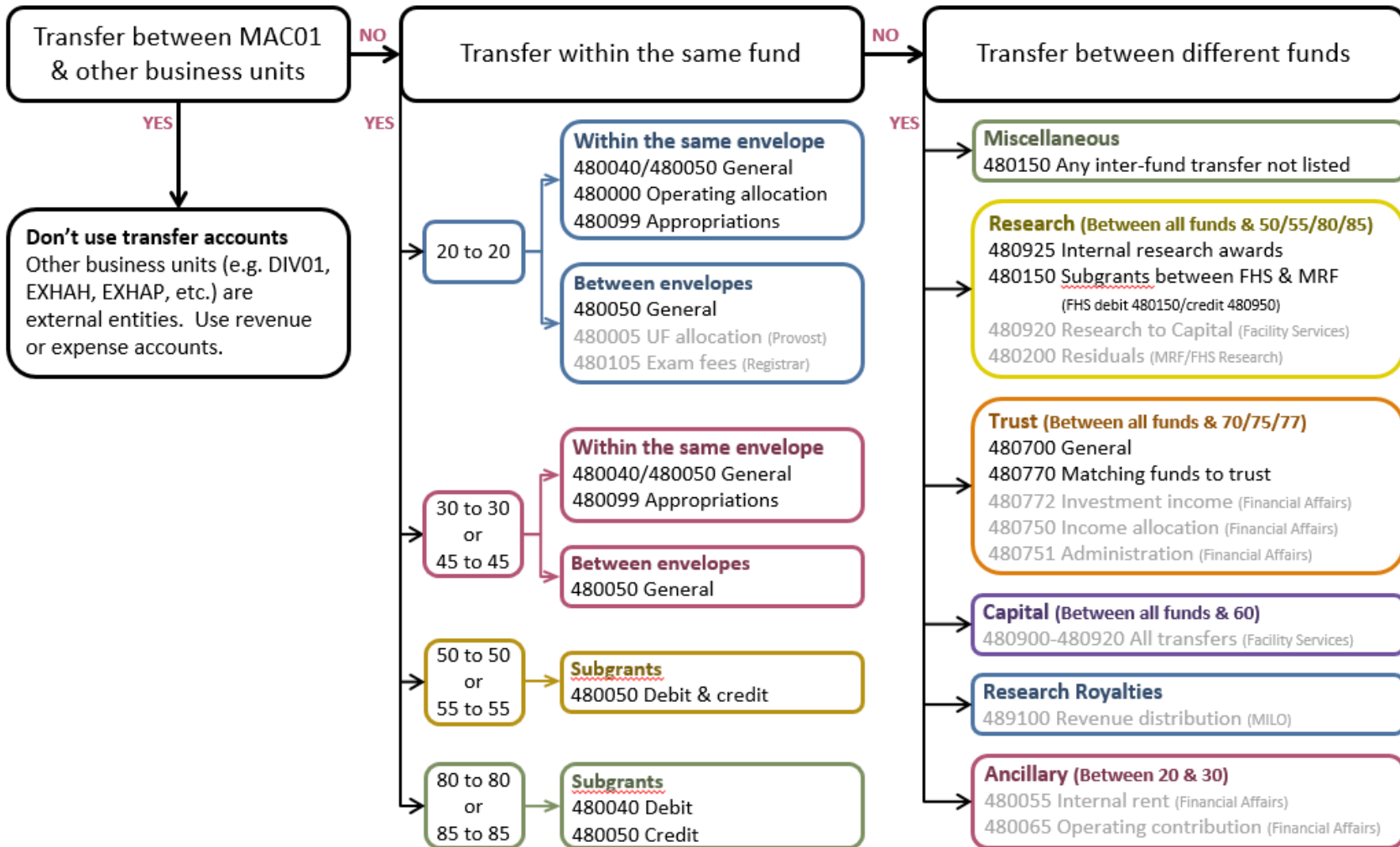
DO use transfer accounts on journal entries

DON'T use on deposits, vouchers, purchase requisitions, etc.

DO use the same transfer account on both sides of the entry

DON'T use the accounts in gray below (reserved for the offices as shown)

DO use the accounts in black below



| Fund: | 20 | 30 | 45 | 50/55 | 60 | 70/75/77 | 72/78 | 80/85 | Description |
|---|-----------------|-----------|--------------------------------|-----------|---------|---------------------|------------------|------------------------|--|
| | Operating | Ancillary | Specifically Externally Funded | Research | Capital | Trusts & Endowments | Cost of Practice | FHS Research | |
| 1. Transfers within the same Fund | | | | | | | | | |
| General transfers | | | | | | | | | |
| Within the same budget envelope | 480040 | 480040 | 480040 | | | | | | |
| To/from a different budget envelope | 480050 | 480050 | 480050 | | | | | | |
| Specific transfers | | | | | | | | | |
| Operating allocation | 480000 | | | | | | | | Allocations of central operating funds per the budget framework. |
| University Fund specific allocations | 480005 | | | | | | | | Allocations from the University Fund to activity units for specific purposes, and to support units for on-going funding - entry initiated by the Provost's Office. |
| University Fund funded priorities | 480010 | | | | | | | | Used only in the University Fund to record the total of current funding awarded by the Budget Committee. |
| Appropriation transfers | 480099 | 480099 | 480099 | | | | | | May be used to transfer appropriation balances between departments/programs within the same envelope. Appears below the total surplus/deficit, before net income. |
| Deferred exam fee transfers | 480105 | | | | | | | | Transfer fee revenue to Faculties - entry initiated by the Registrar's Office. |
| Internal research subgrants | | | | 480050 | | | | 480040 Dr 480050 Cr | Subgrants to research projects within the same Fund. |
| Research residuals | | | | 480200 | | | | 480200 | Remaining balance in research projects transferred to unrestricted Funds 50 or 80. |
| Multi sponsor revenue transfer | | | | 480930 | | | | 480930 | Limited to multi sponsor projects for the transfers from the funding source project to the main PI project |
| 2. Transfers between different Funds | | | | | | | | | |
| General transfers not specified below | 480150 | 480150 | 480150 | | | | 480150 | | |
| Internally funded research awards* | 480925 | | 480925 | 480925 | | | 480925 | 480925 | Grants funded by Faculty departments, transferred to research projects. If the original source is Trust, Fund 55 or 85 must be credited. |
| Research subgrants between projects | | | | 480150 | | | | 480150 Dr 480950 Cr | Subgrants to projects between FHS Research and MRF. |
| Research overhead income | | | | | | | | | |
| CRC | 475002 Cr | | 475002 Cr | 809005 Dr | | | | 809005 Dr | Overhead/administration fee charged to research projects and reimbursed to Faculties/Departments. |
| ERA | 475003 Cr | | 475003 Cr | 809005 Dr | | | | 809005 Dr | |
| Contract overhead | 475004 Cr | | 475004 Cr | 809005 Dr | | | | 809005 Dr | |
| Research royalties | 489100 | | | 489100 | | | | 489100 | Royalties earned on intellectual property - entry initiated by MILO. |
| Ancillary/Operating internal rent | 480055 | 480055 | | | | | | | Rent charge for specified departments reimbursing Facility Services - entry initiated by Financial Services. |
| Ancillary contribution to Operating | 480065 | 480065 | | | | | | | Percentage of ancillary sales contributed to operating funds. |
| Capital from all Funds | 480900 - 480910 | | | | | | | | Restricted to Facility Services for capital transfers. |
| Research to Capital | | | | 480920 | 480920 | | | 480920 | Transfer from research projects for capital - initiated by Facility Services. |
| 3. Trusts | | | | | | | | | |
| Between Trust and all ledgers* | 480700 | | 480700 | 480700 | 480700 | 480700 | 480700 | 480700 | Almost exclusively transfers out of trusts Fund 77. On rare occasions may be a transfer to trusts. |
| Investment income allocated (75 to 77) | | | | | | 480750 | | | Restricted to Financial Affairs department - allocation from Fund 75 to 77 for trust spending. |
| Required match from other Funds to Trust | 480770 | | 480770 | 480770 | 480770 | 480770 | | 480770 | Used only for matching funds transferred to trust as per trust gift agreement. |
| Interest transfer to Operating | 480772 | | | | | 480772 | | | Restricted to Financial Affairs department - Investment income from internal endowments allocated to Fund 20 for spending. |
| Trust administration to Advancement | 480751 | | | | | 480751 | | | Restricted to Financial Affairs department - administration fee charged to trusts. |

*Trust funding transferred to research through operating: Revenue is recognized in trust when transferred, expense in trust in account 480700 when transfer made (received in operating in 480700), transfer from operating to research (55/85) in 480925 which nets in expense

APPENDIX F – FREQUENTLY ASKED QUESTIONS

General

1. How do appropriations and carry-forwards work? How do we show them?

Appropriations and carry-forwards are unspent (surplus) or overspent (deficit) funds from the previous year. Appropriations or carry-forwards are shown at the bottom of the budget submission form. The opening balance for a particular year should be the closing balance from the prior year for each category.

Total revenue, expenses and appropriations for all types (ongoing and one-time) are summarized in the last lines of the form.

A_6000 Surplus/Deficit: The total of revenue and expense before reallocation of appropriations within the envelope for the type (On-Going, One-Time or All Type) selected in the point of view.

A_480099 Appropriation transfer: Optional reallocation of appropriations between departments and programs within the same envelope and fund.

A_3000 Net Income: The total increase or decrease during the year after all revenue, expense and appropriation transfers for the type (On-Going, One-Time or All Type) selected in the point of view. Note that this total could be different than the Deficit or (Surplus) – All Types if the point of view has selected only On-Going or One-Time.

Total Revenue – All Types: The total of all ongoing and one-time revenue.

Total Expenses – All Types: The total of all ongoing and one-time expenses.

Deficit or (Surplus) – All Types: The net of all ongoing and one-time revenue and expenses.

Appropriation Transfers – All Types: The net of all ongoing and one-time appropriation transfers.

Opening Appropriations – All Types:

Actual and 8 Month Review: Actual ending appropriations carried forward from the prior year

Budget: Ending appropriations carried forward in the current forecast

PS Adjustments – All Types: Actual year-to-date journal entries to appropriation accounts in PeopleSoft GL. The only entries to appropriations should be corrections of errors occurring in the prior year-end roll-over.

Closing Appropriations – All Types: Total of Deficit/(Surplus), Opening Appropriations, Appropriation Transfers, and PS Adjustments

2. Why is there such a long time between submission and presentation?

Budgeting Services needs the time to review budget submission prior to forwarding it to the University Secretariat for Budget Committee. The Budget Committee also needs time to review the submission before the meeting.

3. What are Ancillaries?

Ancillaries are units that operate as profit centres. They generate their own revenue to cover both the direct and indirect expenses of their operations. The University has six areas that operate as profit centres. They are:

- Campus Store
- Centre for Continuing Education
- Hospitality Services
- Housing & Conference Services
- Media Production Services
- Parking

4. If your budget is rolled up into a larger unit, how do you know what your allocation is?

To get your allocation you can contact your Director of Administration, Business Manager or Budgeting Services.

Revenue and Funding

1. How do we budget for recoveries received for work done by part-time employees? When do we use the 'Recoveries' line?

Normally, recoveries for part-time staff (Work-study, MacWork) go directly against the salary account where the salary is paid from. In some cases departments may wish to use a part-time salary recovery account (541801).

Salary

1. How are FTEs calculated? What about FTTEs?

FTEs are not head counts. For Unifor and TMG staff, FTEs are calculated based on time worked as a proportion of total hours available in the year, depending on the standard work week of that employee:

- 35 hours/week = 1,825 hours/year
- 37.5 hours/week = 1,955 hours/year
- 40 hours/week = 2,086 hours/year

For employees working a total of 1,217 hours in a year on a position with a standard work week of 35 hours, the calculation would be:

$$1,217 \text{ hours worked} / 1,825 \text{ hours available} = 0.67 \text{ FTE}$$

Faculty FTTEs (full-time teaching equivalent) are normally the same as FTEs, and are not needed on the submission.

2. Where can I find details of my FTEs?

A report showing actual and projected hours and the resulting FTE calculation is part of the Hyperion labour planning module forms under 1.2.1.2 LABOUR. Total hours by employee are available on 1.1.2.3 Labour Hours Input. Details of FTE by employee are available on 1.2.1.2.1 Variance Report Detail by Employee.

3. Do you count contract positions?

All hours paid to employees through the HR payroll system are counted toward FTE.

4. What salary and wage assumptions will be used?

Salary expense estimates calculated through Hyperion will be based on the signed collective agreements with McMaster University. For estimates in the absence of specific salary details, assume the continuation of the current contract or agreement including, where applicable, across the board, scale, merit, and CPM increases. Assumptions used in the Hyperion labour planning module may be viewed in the forms under 1.2.1.2.5 Labour Source Data & Assumptions. Salary estimates are for modelling purposes only.

5. How should positions undergoing evaluation be handled?

Budget the salary costs at the expected pay rate after evaluation, including any retroactive amounts that may be payable. Adjustment may be made to the employee's hourly rate through Hyperion on form 1.1.2.2 Existing Employees Override, with retroactive payments entered as a hedge.

Benefits**1. Most of my staff are single and I have consistently been under budget in benefits when using this formula? Can I revise the formula?**

The benefit rates prepopulated as part of the assumptions in Hyperion consist of a factor for each employee group that will bring the overall rate closer to the actual charges. If the resulting calculation is unreasonable, a hedge may be entered.

2. Do you have to budget MPDA even if staff never use it?

Yes. MPDA budgets must be allocated as long as the employee is part of the department.

Non-salary**1. How can I tell which account to use for capital?**

Projects performed by Facility Services and funded from operating accounts must use transfer account 480910. Minor renovations and alterations should be charged to account 620000. Other accounts outlined in the capital assets policy are summarized below. For full details refer to the Capital Assets policy at <https://financial-affairs.mcmaster.ca/app/uploads/2021/01/CA-01-Capital-Assets-Policy-2022.pdf>

| Classification | Threshold | Account | Estimated life (years) |
|---|------------------|----------------|-------------------------------|
| All funds except Capital Fund (60) and Nuclear Reactor | | | |
| Equipment | \$10,000 | 610000 | 5 |
| Vehicles | \$10,000 | 610010 | 5 |
| Furniture & Fixtures | \$10,000 | 610015 | 5 |
| Computer Equipment | \$10,000 | 610030 | 3 |
| Software* | \$10,000 | 610040 | 10 |
| Library Acquisitions | \$1 | 680xxx | 5 |
| Capital Fund (60) | | | |
| Land | \$1 | 170000 | N/A |
| Site Improvements | \$200,000 | 170010 | 10 – 40 |
| Buildings & Betterments | \$200,000 | 170020 | 10 – 40 |
| Equipment & Furniture | \$10,000 | 170030 | 5 |
| Construction in Progress *** | | 170060 | N/A |
| Leasehold Improvements | \$200,000 | 170080 | 10 – 40 |
| Nuclear Reactor | | | |
| Renovations & Alterations** | \$200,000 | 170022 | 10 – 40 |
| Equipment/Vehicles/Furniture | \$10,000 | 170032 | 5 |
| Computer Equipment | \$10,000 | 170042 | 3 |
| Asset Retirement Obligation | | 170070 | Asset Specific |