Operating Budget Guidelines

as of September 11, 2026

For the fiscal years 2027/28, 2028/29 and 2029/30

Brighter World

McMaster University

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1 INTRODUCTION

The Operating Budget Guidelines are provided as a budget development framework to ensure consistency across the University. For 2027/28, 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 2027/28 will be developed in the Hyperion system, which is integrated with the PeopleSoft system. The 2026/27projection and 2027/28 budget submissions in Hyperion will be transferred into PeopleSoft after the budget process for 2027/28 is completed. A brief overview of the Hyperion submission is given in Section 4.2.

2 INFORMATION AND CHANGES FOR 2027/28 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 2027/28 to 2029/30. Submissions should include updated projections for 2026/27. The 2027/28 budget should be based on a detailed analysis by department and program which will be used as the benchmark for actual results, while 2028/29 and 2029/2030 may project revenue and expenses at the envelope level, incorporating major changes. The specific budget approval will be limited to the 2027/28 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 verbally in-person and without a visual presentation.
- 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. An across the board allocation towards salary increases for 2027/28 has been provided. Support Units should continue to look for efficiencies or cost savings to offset cost inflation.

  - Activity unit true-up allocations for 2025/26 and updated projections for 2026/27 will be available in October for use in the 5 Month Review. Activity unit allocations for the 2027/28 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 – one for activity units and one for support units –highlight important information in the main part of the narrative, with appendices for Budget Committee. There is no longer sections on Alignment with University Strategy or Envelope Highlights required as part of the submission, as these will be evident in other sections. 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 previous years, it is now strongly recommended to limit narrative submissions to **no more than 10 pages plus appendices. If this recommendation is not followed you may be asked to cut pages during the review process.**

- **Appendix A – Organization Chart –** should be provided in a format or summarized view that fits onto one page and is legible.

- **Additional 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 2027/28 budget from the Budget Guidelines and Templates section of the Budgeting Services website.

- Please note the following information to be included in the budget submission narrative:

  - **NEW September 2026** With the launch of the new McMaster Strategic Plan, Bolder Together, budget submissions should be clearly aligned with the new strategic plan priorities. The key considerations section (Section 1) can be used to highlight alignment, or planned alignment. Information on an envelope's finances, activities or operations related to strategic plan priorities can be highlighted in other sections as appropriate.

  - **UPDATED September 2026** The Key Considerations section for Support Units now has a sub-section (Section 1.1) for any Unfunded Priority requests. This section should be populated **only** with funding requests that have been approved to come forward to Budget Committee by the Vice-President (VP) for the area within which the budget envelope resides. **Funding requests should be framed within the context of the strategic plan priorities and clearly articulate how the proposed investments support those priorities.** It should be in a list format including a title for the request, amount requested, whether it is ongoing (base) or one-time request, the year in which the base increase request is needed, or the year for the one-time request, and a short description of the request or need for funding **with reference to the strategic plan priority or foundation which would be supported by the funding.**

  - **NEW** The use of appropriations section (Section 5) has been divided in two. Please complete the appropriate section for the envelope's budget position, and ensure that the instructions for each section are followed. If the envelope has a surplus appropriation balance, describe how it will be used. If the envelope has structural deficits and/or accumulated debt (either currently or in the budget year), describe the plan to eradicate this, along with the timeline, and confirm it has been discussed with the Provost.

- Internal Benchmarks and performance indicators in section 7 should include items listed in the template where available and appropriate. **Charts are requested for this section, reflecting the major department or service breakdown within support unit budget envelopes, and the budget envelope revenue sources. This provides 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 2026.**
- **NEW Section 8.2 on Fees for Service** now requests only listing services provided for a fee or as cost recovery if the aggregate revenue budgeted for that service is over $10k annually.
- 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 2027/28 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 appendix on previously provided funding continues for Support Units, 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 2026/27 projection and 2027/28 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 Financial Affairs training hub at

https://mcmasteru365.sharepoint.com/sites/financetraining. Additional personalized training sessions may be scheduled upon request throughout the summer. **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)

- 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 2027/28 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 2026/27 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 to 15 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 Conference Presentation	Budget Conference Presentation If Requested
University Advancement	L. Litwin	Oct 9, 2026	Oct 19, 2026	Oct 29, 2026	
Facilities Support Envelopes	E. Kamarah	Oct 9, 2026	Oct 19, 2026	Oct 29, 2026	
Student Affairs	S. Van Koughnett	Oct 9, 2026	Oct 19, 2026	Oct 29, 2026	
UTS Envelopes	G. Gray	Oct 9, 2026	Oct 19, 2026	Oct 29, 2026	
University Secretariat	S. Tighe	Oct 9, 2026	Oct 19, 2026		Nov 13, 2026
Museum of Art	M. Reid	Oct 9, 2026	Oct 19, 2026		Nov 13, 2026
VPOF Office with Internal Audit and Enterprise Risk	S. Fazilat	Oct 16, 2026	Oct 26, 2026	Nov 9, 2026	
Legal	B. Davis	Oct 16, 2026	Oct 26, 2026	Nov 9, 2026	
Research	G. Parise	Oct 16, 2026	Oct 26, 2026	Nov 9, 2026	
Human Resources/ Campus Safety Services	W. McKenna	Oct 16, 2026	Oct 26, 2026	Nov 9, 2026	
Registrar/Undergraduate Scholarships	D. Fernandez	Oct 16, 2026	Oct 26, 2026	Nov 9, 2026	
Financial Affairs	O. Ahmed	Oct 16, 2026	Oct 26, 2026	Nov 9, 2026	
VP Academic	M. MacDonald	Oct 16, 2026	Oct 26, 2026	Nov 9, 2026	
VP Teaching and Learning Offices	K. Dej	Oct 16, 2026	Oct 26, 2026	Nov 9, 2026	
President incl. Strategic Support Fund	S. Tighe	Oct 16, 2026	Oct 26, 2026	Nov 9, 2026	
McMaster Libraries	V. Lewis	Oct 20, 2026	Oct 30, 2026	Nov 13, 2026	
CMPA	D. Estok (TBC)	Oct 20, 2026	Oct 30, 2026	Nov 13, 2026	
Graduate Studies/Scholarships	S. Hranilovic	Oct 20, 2026	Oct 30, 2026	Nov 13, 2026	
Science	G. Goward	Mar 17, 2027	Mar 24, 2027	Mar 31, 2027	
Engineering	H. Sheardown	Mar 17, 2027	Mar 24, 2027	Mar 31, 2027	
Business	K. Hassanein	Mar 17, 2027	Mar 24, 2027	Mar 31, 2027	
Health Sciences	P. O'Byrne	Mar 17, 2027	Mar 24, 2027	Mar 31, 2027	
Continuing Education	M. Salhia	Mar 17, 2027	Mar 24, 2027	Mar 31, 2027	
Non- Academic Ancillary Services	S. Fazilat	Mar 17, 2027	Mar 24, 2027	Mar 31, 2027	
Real Estate and Partnerships	S. Hilrani	Mar 17, 2027	Mar 24, 2027	Mar 31, 2027	
Arts and Science Program	B. Marquis	Mar 17, 2027	Mar 24, 2027		Apr 5, 2027
Humanities	S. Corner	Mar 22, 2027	Mar 29, 2027	Apr 5, 2027	
Social Sciences	J. Hurley	Mar 22, 2027	Mar 29, 2027	Apr 5, 2027	
University Fund	M. MacDonald	Mar 22, 2027	Mar 29, 2027	Apr 5, 2027	

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 2026/27 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 2026/27 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 2026/27 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 2026/27 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 2026/27 projection and 2027/28 budget will be pre-populated with the original 2026/27 budget. 2028/29 and 2029/30 will be left blank. Plans for 2028/29 and 2029/30 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 2026/27 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 Tuesday June 30th for Phase 1 and the week of November 23rd 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 2026/27 to 2029/30 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 changes should be budgeted.

Only 2027/28 allocations are approved as part of the budget process. Allocations for 2028/29 and 2029/30 are estimates for planning purposes only. Final adjustments to activity units' 2025/26 allocations for actual revenue and enrolment will be made during the 2026/27 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 2027/28 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 a current estimate of 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. In 2018 Employee Benefits Task Force 2 (BTF2) addressed 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 2026/27, 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 2027/28 budget year this rate lowers to 105%. For 2028/29 and 2029/30 high level planning should assume 105%.

Other changes from the task force included:

- 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 2027/28 is $375 per employee; for planning purposes, the rate in 2028/29 and 2029/30 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, faculty travel, and dental premiums increase by 25% for 2027/28; premium increases for 2028/29 and 2029/30 are projected at 10% and 12% per year, respectively. 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 a benefit surcharge. The rate to be charged in 2026/27 will be $220.00 per employee (MUFA) and $135 per employee (TMG); the rate in 2027/28 will rise to $245 per employee (MUFA) and drop to $130 per employee (TMG). For planning purpose, the rate for 2028/29 will be $250 (MUFA) and $130 (TMG), and for 2029/30 will be $255 (MUFA) and $130 (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 Expense or Development Allowances

MUFA Faculty PDA – May 1/26	$3,100 per year
MUFA Faculty PDA – May 1/27	$3,200 per year
MUFA Faculty PDA – May 1/28	$3,200 per year
MUFA Faculty PDA – May 1/29	$3,200 per year
MUFA Librarian PDA – May1/26	$3,100 per year
MUFA Librarian PDA – May1/27	$3,200 per year
MUFA Librarian PDA – May1/28	$3,200 per year
MUFA Librarian PDA – May1/29	$3,200 per year
MUALA Librarian PDA – May 1/26	$2,500 per year
MUALA Librarian PDA – May 1/27	$2,550 per year
MUALA Librarian PDA – May 1/28	$2,600 per year
MUALA Librarian PDA – May 1/29	$2,600 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 provided through McMaster's site license. The cost of individual licenses should not be budgeted.

UTS **no longer** charges for recurring operational network and telecommunications services for all units and Faculties that are part of the operating fund.

UTS budget will include coverage for the following services, hardware and operations, and therefore these items should not be budgeted by non-UTS units:

- The integrated campus network and telecoms operations (and our various service providers)
- All software and systems used to manage and support the network
- Integrated telecommunications licensing
- Long distance capabilities
- Handsets and peripherals
- All other software and technology that provides staff and faculty with the ability to voice dial and connect to the internet

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, 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

TBC – January 2027

Support Units

$000's	2025/26 base cfwd	Comp. Adj.	Base allocations	2026/27 base	2026/27 one-time	2026/27 total	Comp. Adj.	Base allocations	2027/28 base	2027/28 one-time	2027/28 total	Base allocations	2028/29 base	2028/29 one-time	2028/29 total	Base allocations	2029/30 base	2029/30 one-time	2029/30 total
Academic Support																			
VP Academic	10,014	95	75	10,184	-	10,184	204	-	10,388	-	10,388	-	10,388	-	10,388	-	10,388	-	10,388
Museum of Art	659	19	-	678	-	678	42	-	720	-	720	-	720	-	720	-	720	-	720
VP Teaching and Learning Offices	4,998	113	-	5,111	-	5,111	236	-	5,347	-	5,347	-	5,347	-	5,347	-	5,347	-	5,347
McMaster Libraries Operations	14,262	352	-	14,614	-	14,614	716	-	15,330	-	15,330	-	15,330	-	15,330	-	15,330	-	15,330
McMaster Libraries Acquisitions	15,821	-	400	16,221	-	16,221	-	-	16,221	-	16,221	-	16,221	-	16,221	-	16,221	-	16,221
Registrar	8,922	241	759	9,922	1,500	11,422	502	-	10,424	-	10,424	-	10,424	-	10,424	-	10,424	-	10,424
Sub-total	**54,676**	**820**	**1,234**	**56,730**	**1,500**	**58,230**	**1,700**	**-**	**58,430**	**-**	**58,430**	**-**	**58,430**	**-**	**58,430**	**-**	**58,430**	**-**	**58,430**
Research Support																			
Research	12,125	272	1,069	13,466	535	14,001	594	-	14,060	-	14,060	-	14,060	-	14,060	-	14,060	-	14,060
VP Research Discretionary Fund	2,732	-	-	2,732	-	2,732	-	-	2,732	-	2,732	-	2,732	-	2,732	-	2,732	-	2,732
Nuclear Reactor	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Sub-total	**14,857**	**272**	**1,069**	**16,198**	**535**	**16,733**	**594**	**-**	**16,792**	**-**	**16,792**	**-**	**16,792**	**-**	**16,792**	**-**	**16,792**	**-**	**16,792**
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	2,850	47	-	2,897	-	2,897	109	-	3,006	-	3,006	-	3,006	-	3,006	-	3,006	-	3,006
Student Affairs	8,130	122	-	8,252	-	8,252	252	-	8,504	-	8,504	-	8,504	-	8,504	-	8,504	-	8,504
Undergraduate Scholarships	14,388	-	(56)	14,332	-	14,332	-	63	14,395	-	14,395	5	14,400	-	14,400	-	14,400	-	14,400
Sub-total	**41,256**	**169**	**(56)**	**41,369**	**-**	**41,369**	**361**	**63**	**41,793**	**-**	**41,793**	**5**	**41,798**	**-**	**41,798**	**-**	**41,798**	**-**	**41,798**
Facilities Support																			
Facilities Services	19,790	351	1,135	21,276	-	21,276	531	-	21,807	-	21,807	-	21,807	-	21,807	-	21,807	-	21,807
HSC Maintenance	4,738	-	-	4,738	-	4,738	-	-	4,738	-	4,738	-	4,738	-	4,738	-	4,738	-	4,738
Utilities	22,556	61	-	22,617	-	22,617	105	-	22,722	-	22,722	-	22,722	-	22,722	-	22,722	-	22,722
HSC Utilities	5,387	-	-	5,387	-	5,387	-	-	5,387	-	5,387	-	5,387	-	5,387	-	5,387	-	5,387
Utilities & Energy Management	27,943	61	-	28,004	-	28,004	105	-	28,109	-	28,109	-	28,109	-	28,109	-	28,109	-	28,109
Deferred Maintenance	13,893	-	300	14,193	-	14,193	-	-	14,193	-	14,193	-	14,193	-	14,193	-	14,193	-	14,193
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	-	974	-	974	-	974
Campus Safety Services	2,837	70	736	3,643	-	3,643	161	-	3,804	-	3,804	-	3,804	-	3,804	-	3,804	-	3,804
Sub-total	**85,334**	**482**	**2,171**	**87,987**	**300**	**88,287**	**797**	**-**	**88,784**	**300**	**89,084**	**-**	**88,784**	**-**	**88,784**	**-**	**88,784**	**-**	**88,784**
Institutional Support																			
VP OF (incl.Internal Audit & Risk)	3,638	41	195	3,874	-	3,874	82	-	3,956	-	3,956	-	3,956	-	3,956	-	3,956	-	3,956
Financial Affairs	4,223	149	-	4,372	-	4,372	345	-	4,717	-	4,717	-	4,717	-	4,717	-	4,717	-	4,717
Human Resources	11,154	157	295	11,606	-	11,606	328	-	11,934	-	11,934	-	11,934	-	11,934	-	11,934	-	11,934
UTS	16,661	283	500	17,444	-	17,444	594	-	18,038	-	18,038	-	18,038	-	18,038	-	18,038	-	18,038
UTS Asset Management	1,688	-	-	1,688	-	1,688	-	-	1,688	-	1,688	-	1,688	-	1,688	-	1,688	-	1,688
UTS Licenses	6,551	-	1,233	7,784	-	7,784	-	-	7,784	-	7,784	-	7,784	-	7,784	-	7,784	-	7,784
UTS RHPCS	967	18	-	985	-	985	55	-	1,040	-	1,040	-	1,040	-	1,040	-	1,040	-	1,040
University Secretariat	1,429	21	96	1,546	-	1,546	46	-	1,592	-	1,592	-	1,592	-	1,592	-	1,592	-	1,592
President	1,166	18	682	1,866	-	1,866	51	-	1,917	-	1,917	-	1,917	-	1,917	-	1,917	-	1,917
CMPA (Incl. Branding)	5,894	65	-	5,959	-	5,959	146	-	6,105	-	6,105	-	6,105	-	6,105	-	6,105	-	6,105
University Advancement	4,159	144	500	4,803	-	4,803	329	-	5,132	-	5,132	-	5,132	-	5,132	-	5,132	-	5,132
Legal	6,367	17	-	6,384	-	6,384	33	-	6,417	-	6,417	-	6,417	-	6,417	-	6,417	-	6,417
General University	6,069	-	-	6,069	-	6,069	-	-	6,069	-	6,069	-	6,069	-	6,069	-	6,069	-	6,069
Sub-total	**69,966**	**913**	**3,501**	**74,380**	**-**	**74,380**	**2,009**	**-**	**76,389**	**-**	**76,389**	**-**	**76,389**	**-**	**76,389**	**-**	**76,389**	**-**	**76,389**
Institutional Priority allocations																			
University Advancement Campaign	-	-	-	-	1,750	1,750	-	-	-	250	250	-	-	250	250	-	-	250	250
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	1,554	-	-	1,554	-	1,554	-	-	1,554	-	1,554	-	1,554	-	1,554	-	1,554	-	1,554
President's Strategic Support Fund	1,400	-	-	1,400	-	1,400	-	-	1,400	-	1,400	-	1,400	-	1,400	-	1,400	-	1,400
Sub-total	**7,692**	**-**	**-**	**7,692**	**1,750**	**9,442**	**-**	**-**	**7,692**	**250**	**7,942**	**-**	**7,692**	**250**	**7,942**	**-**	**7,692**	**250**	**7,942**
Total support units	**273,781**	**2,656**	**7,919**	**284,356**	**4,085**	**288,441**	**5,461**	**63**	**289,880**	**550**	**290,430**	**5**	**289,885**	**250**	**290,135**	**-**	**289,885**	**250**	**290,135**

APPENDIX B – BUDGET CYCLE TIMELINES

Week of	IRA	Budgeting Services	Support Units	Budget Committee	Deans	Activity Units	Ancillary Units
Jun 22/26				Approve FY25 benefits & support unit guidelines - June 24th			
Jun 29/26		Issue support unit guidelines - by June 30th Open system for budgeting - Jul 3rd	Work on budgets (15 weeks)			Work on 5 Month Review (Hyperion read only - 6 Weeks)	
Jul 6/26							
Jul 13/26							
Jul 20/26							
Jul 27/26							
Aug 3/26							
Aug 10/26						Work on 5 Month Review (Hyperion available - 10 Weeks - Later start as continuing hold back of Hyperion entry for July Actual HR data - Faculties request)	
Aug 17/26							
Aug 24/26							
Aug 31/26							
Sep 7/26	Provide FY26 Actual FY27 estimated enrolment and revenue - by Sep 11						
Sep 14/26							
Sep 21/26							
Sep 28/26							
Oct 5/26		Issue FY26 actual & FY27 estimated allocations - Target Oct 8th	Budget submissions due - 9th/ 16th/ 20th				
Oct 12/26							
Oct 19/26		Send support unit submissions to BC - 19th/ 26th/ 30th		Review support unit submissions		5 Month Review due - by Oct 23rd	
Oct 26/26							
Nov 2/26			Support unit budget presentationsOct 29th/Nov 9th/13th				
Nov 9/26							
				Provided 5 Month Review Report - Nov 13th Meeting			
				Approve activity and ancillary unit guidelines without allocations/ Template - Nov 13th			
Nov 16/26	Provide enrolment and revenue estimates - by Nov 20th	Issue activity and ancillary unit guidelines without allocations - Nov 20th	Resubmissions due if necessary		Feedback & Prioritization on presentations and funding requests due Nov 20th	Work on budgets (14 weeks)	Work on budgets (14 weeks)
		Send support unit resubmissions to Budget Committee if necessary					
Nov 23/26							
Nov 30/26				Rank Unfunded Priorities			
		Begin Revision of budgets for draft funded priorities		Receive any support unit resubmissions			
Dec 7/26		Review draft allocations with BPCC - Dec 10th					
Dec 14/26		Issue draft activity unit allocations to Faculties - Target Dec 15th					
Jan 4/27		Send activity unit allocations to Budget Committee					
Jan 11/27				Review and approve activity unit allocations			
Jan 25/27							
Feb 1/27	Issue activity unit metrics			Response to Deans' written feedback due			
Feb 8/27							
Feb 15/27							
Feb 22/27	Update revenue						
Mar 1/27							
Mar 8/27						Budget submissions due - March 17th and 22nd	
Mar 15/27							
Mar 22/27		Send budget submissions to Budget Committee & Deans - March 24th and March 29th		Review activity & ancillary unit submissions			
Mar 29/27				Activity & ancillary unit presentations Mar 31st and Apr 5th			
Apr 5/27		Send Fund 20/30/45 budget tables					
						Budget resubmissions due if necessary (Apr 9th)	
Apr 12/27				Review Draft Fund 20/30/45 budget tables			
				Receive resubmissions if necessary			
Apr 19/27		Send consolidated budget					
Apr 26/27				**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

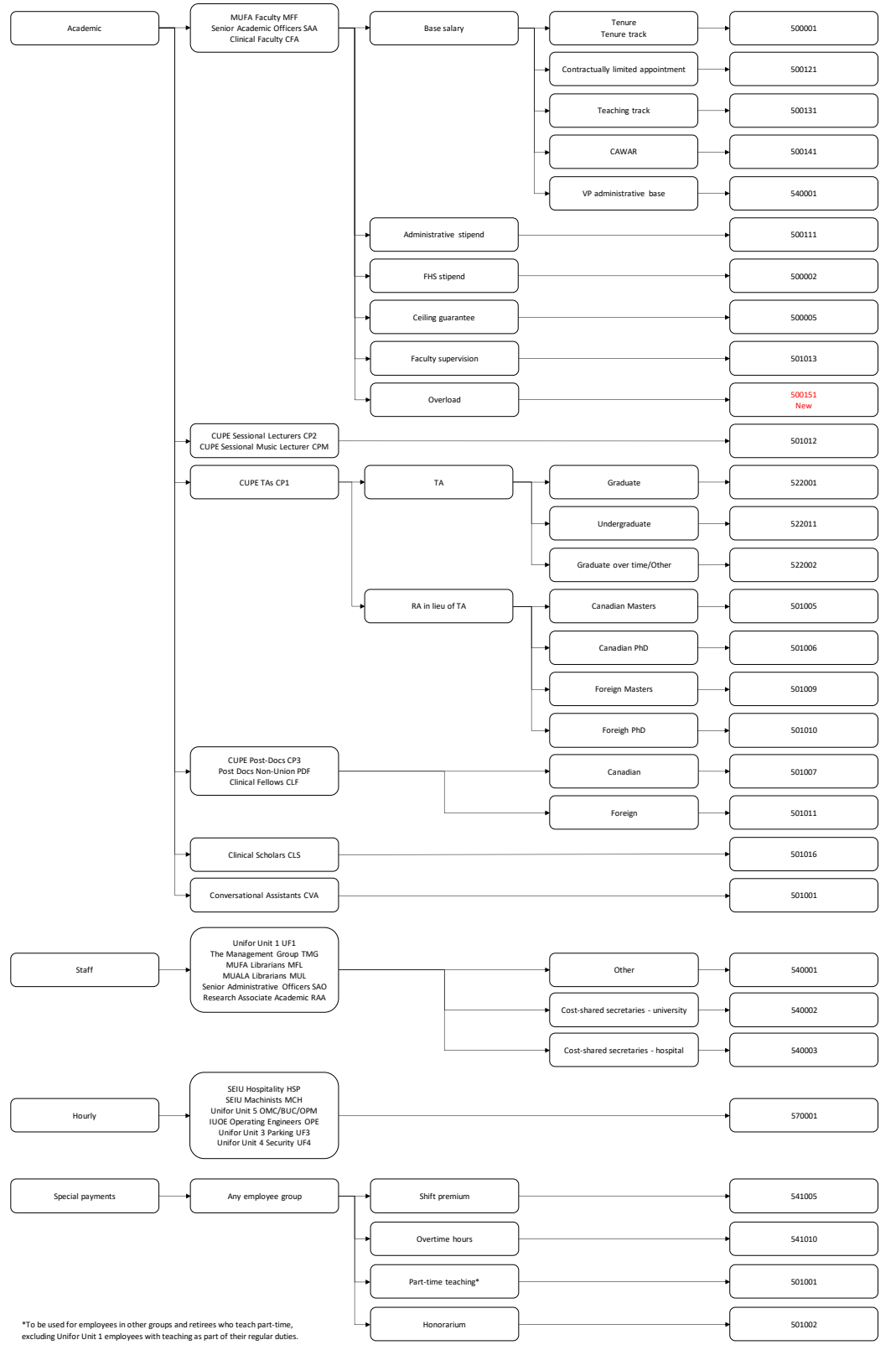
A budget deficit may be incurred in a particular year within an area due to one-time expenses. This does not mean that the deficit will occur in all years, as the expenses will reduce to normal levels once the one-time event has been completed.

	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.		

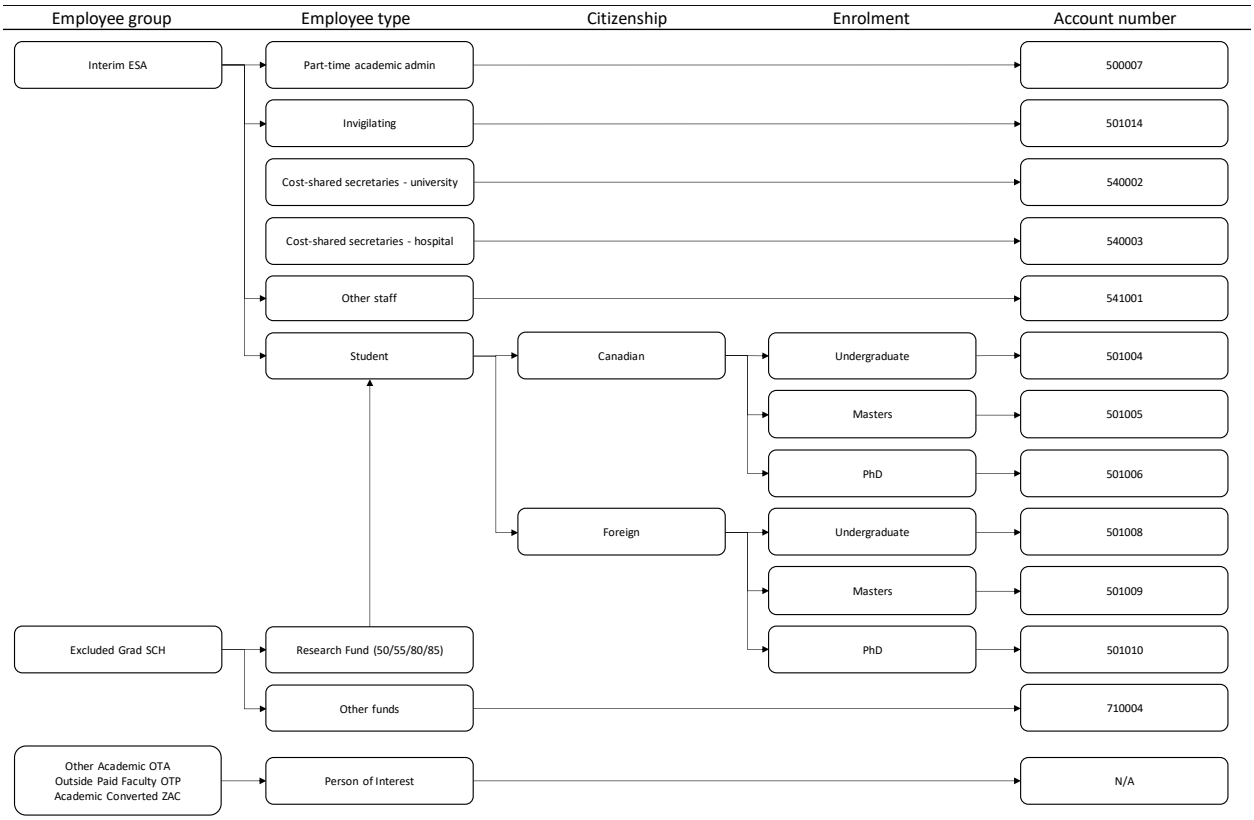
APPENDIX D – LABOUR/BENEFIT ACCOUNT MAPPING

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.


Employee group
Employee type
Citizenship
Enrolment
Account number
Interim ESA
Part-time academic admin
500007
Invigilating
501014
Cost-shared secretaries - university
540002
Cost-shared secretaries - hospital
540003
Other staff
541001
Student
Canadian
Undergraduate
501004
Masters
501005
PhD
501006
Foreign
Undergraduate
501008
Masters
501009
PhD
501010
Excluded Grad SCH
Research Fund (50/55/80/85)
Other funds
710004
Other Academic OTA
Outside Paid Faculty OTP
Academic Converted ZAC
Person of Interest
N/A

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 - Foreig
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	Invigiliating	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

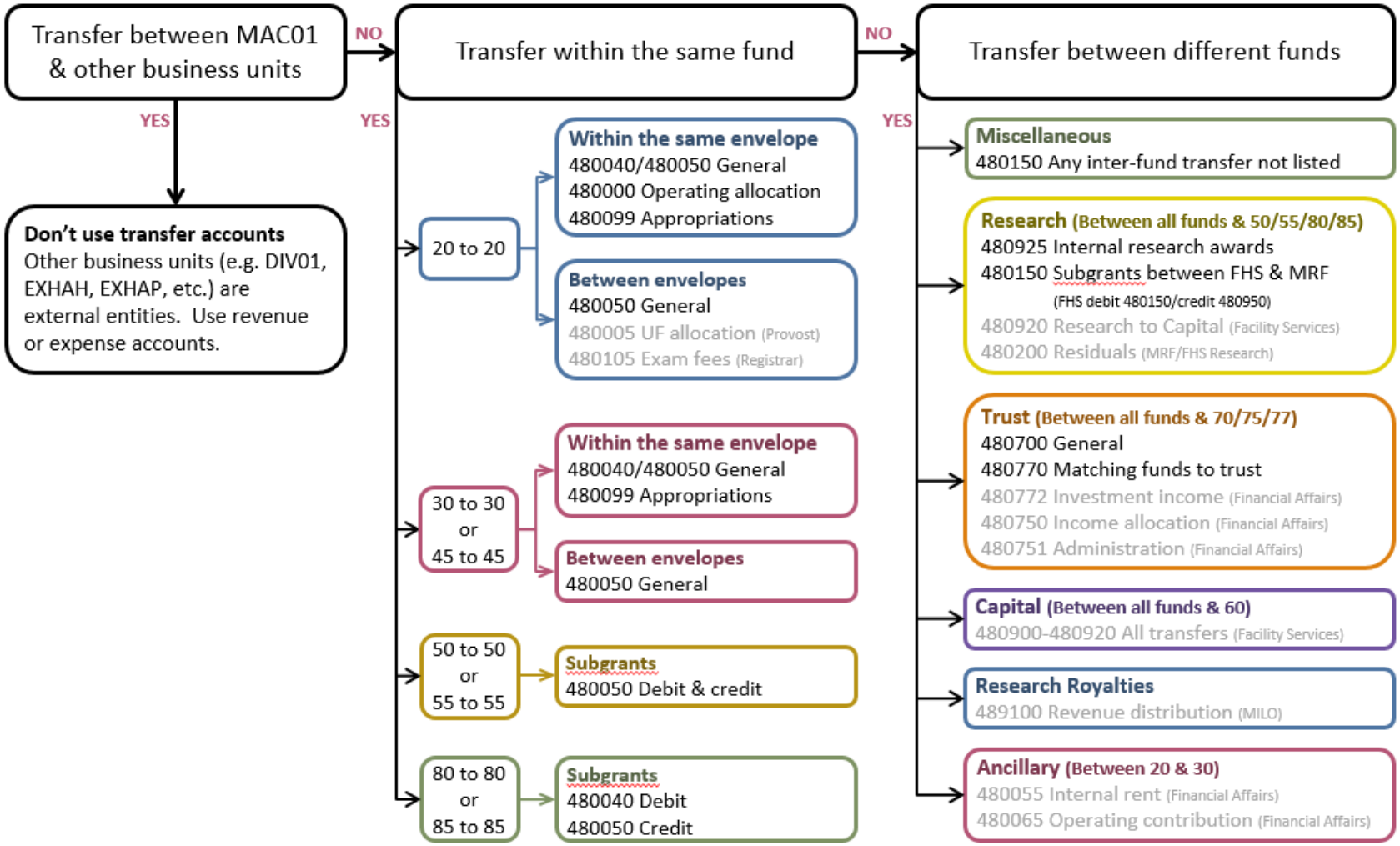
Salary accounts by union group

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 Inviglating 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
DO use the same transfer account on both sides of the entry
DO use the accounts in black below

DON'T use on deposits, vouchers, purchase requisitions, etc.
DON'T use the accounts in gray below (reserved for the offices as shown)



Fund:	20 Operating	30 Ancillary	45 Specifically Externally Funded	50/55 Research	60 Capital	70/75/77 Trusts & Endowments	72/78 Cost of Practice	80/85 FHS Research	Description
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

February 2021

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, Finance 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 hours worked/1,825 hours available = 0.67 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