Salary Control Procedures and Definitions

PURPOSE: The purpose of salary control is to prevent the over commitment of salary dollars and to ensure that the position FTE counts match between the BEACON HR/Payroll system and the authorized budget. When hiring a new employee management should review the salary reserve balances to determine the availability for the new salary.

IBIS is the official source of the budgeted dollars and FTE. Changes in salaries or FTE should be approved in IBIS before changes are made in BEACON.

BEACON is the official source of employee salaries for HR and payroll purposes. BEACON reports use the field names "Salaried Amount" and "Budgeted Amount". The Salaried Amount is zero for vacant positions, so IBIS always uses the field called "Budgeted Amount".

- The Budgeted Amount is maintained by the agency salary control officer and should usually be equal to the employee salaried amount if the position is filled (exceptions: Part time employee in a Full time position, employee is a trainee working toward reaching the minimum salary for the class.)
- If there is an overlap of employees, the budgeted amount should be the amount of only one employee.
- BEACON budgeted salaries are annual.
- The Budgeted Amount for vacant positions should never be less than the minimum for the job classification.

ANNUALIZATION:

The IBIS authorized budget is not always annual, so adjustments must be made when updating the budget to salary control. For example, if the budgeted salary on a certification form is 50,000 and the effective date is September 1, 50,000 only represents 10/12 of an annual salary. The calculation to annualize the budgeted salary would result in a figure of $60,000 ((50,000/10) * 12 = 60,000).

For Certification Forms, dollars can be portion payable. If new or abolished positions have an effective date other than July 1, the effective date of each position is used to calculate the annual salary for salary control.

For Budget Revision Forms, the annual salary field is in the position section and posted directly to salary control from that field; the annual salary may be different from the salary posted to the BD701.

Updating Procedures (ANNUAL):

IBIS Salary Control is done on an annual basis and starts July 1 of each year with zero budget and zero BEACON obligations. Transactions are added as follows:

- BEACON holds actions with July effective dates until the middle of July, so that late June actions can be processed prior to any July 1 Legislative Increase, if applicable. The night before the July forms are allowed to be processed, IBIS saves a file of position information, including budgeted salaries (the I109 file). This information is considered the "July 1" snap shot and is used to update the beginning salary control BEACON salary obligation. There is one total per fund/account. If a Legislative Increase is granted, there will be a separate transaction that totals the increase for the fund/account.
- The IBIS budget starts with the BD307 which is the Appropriation Bill at the detail level. Salary reserve will be carried forward from fiscal year to the next unless the Appropriation Bill makes cuts to the budgeted salaries. There is one transaction per fund/account for the BD307. Sometimes new or abolished positions have an effective date other than July 1, so a second transaction is added to show the adjustment necessary for annualization. IBIS also adds detail transactions for individual positions which are listed on certification forms, so that they can be matched with corresponding BEACON actions (new positions, abolishments and transfers).

Updating Procedures (NIGHTLY):

For Budget Revision Forms: only the position section is used to post to salary control detail transactions.

- The annual salary amount and FTE fields are used to update salary control. Although there are FTE fields for both years of the biennium, there is only one annual salary field.
- If a budget revision is approved during the first fiscal year of the biennium, the annual salary change is applied to both fiscal years.
- Budget revisions marked as "Lapsed Salary" or "One Time Salary Change" are not posted to salary control.
- Type 14 budget revisions are not posted to Salary Control. Any time a position changes the funding or FTE, a budget revision is required.

For BEACON Forms: Individual BEACON forms which affect the budgeted salary, FTE, or funding sources are sent to IBIS each night and updated as the detail transactions in IBIS Salary Control.

- Temporary positions are not posted to Salary Control. These are in accounts 5313xx.

For IBIS Totals by budget/fund/account codes, each night the salary control totals are recalculated for the annual budget as well as for the BEACON salary obligation.

- The current approved budget revisions and BD307 are used to calculate the annual budget and budgeted FTE, and the BEACON I109 interface file is used for the BEACON salaries and FTE.
- These totals show in IBIS salary control. Note: The I109 interface file has information similar to what is on the BEACON BI report, B0149.

MONITORING PROCEDURES:

Each agency should have a designated Salary Control Officer who is responsible for maintaining accurate salary reserve totals. The totals that show in salary control for the budget/fund/account codes are considered the accurate source for salary reserve balances and FTE counts. The formula is

Annual Salary Reserve = Annual Authorized Budget – BEACON position salaries.

- The reserve balance for a fund can be negative as long as the balance for the budget code is positive.
- Budget revisions can be used to transfer the reserve from one fund to another on a periodic basis, but it is not necessary for each position action.
- There continue to be errors in the way the detail records are transmitted from BEACON, so the detail may not add up to the totals. The detail can be downloaded to Excel and sorted to research problems.
- The BEACON FTE and the Budgeted FTE should always match unless there is a pending transaction. To find the position causing the problem, sort the detail transactions by position number and make sure that the BEACON column FTE changes match the budget column FTE changes.
    - One example of an error in posting occurs when the effective date is changed on a BEACON form. The transaction is sent to IBIS twice with different dates and posted both times, since IBIS does not know that the form is a correction to an earlier form.
    - Once the analysis is complete, a note can be added to document the issue, which will be useful for the OSBM analyst when the salary reserve is reviewed by OBSM.

IBIS NOTES FEATURE: IBIS Salary Control provides the capability for you to add notes to the detail transactions. This can be used to describe errors in BEACON automated updates. It can also be used to document reasons for budgeted salaries not matching with BEACON salaries. There may be some anticipated actions that will be using the excess funding, and the note can be used to encumber the dollars so they will not be used for another purpose (see the Salary Control User Guide for instructions on the Notes Feature.)

IBIS POSITION SEARCH: IBIS Salary Control provides a feature to search on activity for a particular position over multiple years and funding sources.

USEFUL REPORTS: Under the reports tab in IBIS the following reports can be generated for helpful information:

Public Folder > Self Service Reports > Budget Execution Reports> Salary Control Summary – Salary Reserve

These are the same totals that are displayed in the salary control function but they are easier to read for all the funds and accounts for the budget code. The salary reserve balances should be monitored on a regular basis and negatives are resolved.

Public Folder > Self Service Reports > Budget Execution Reports > RK329 Salary Report

This report takes information from budget revisions and shows significant fields by fund and account. There are the two dollar fields that are posted to the BD701 and there is the annual salary field that is posted to Salary Control. There should be a logical relationship between these salaries. The annual salary should be equal or larger than the budget detail salary based on the effective date of the budget revision. The only exception would be when a correction is being made to another budget revision which had an error.

DEFINITIONS:

Salary Reserve: This is the difference between the annualized authorized budget in IBIS and the salary obligations (called Budgeted Salary) in BEACON. The effective date for budget revisions is used to calculate the annualized salary. At certification time the effective date for individual positions is used. The authorized budget is the sum of the current BD307 plus all approved budget revisions (type 11 and type 12). Type 14 budget revisions do not post to salary control. This reserve amount can be used when hiring new employees or for giving raises within the Office of State Human Resources policies.

Lapsed Salary: This is the cash amount that is accumulated during the time a position is vacant. This money can be used for one-time expenses. The budget revision which moves the salary out of the salary account and into operating accounts are not posted to salary control since this budget revision has a special designation of "Lapsed Salary".

Annual Salary: This is the amount of regular salary that would be paid if a position were filled for 12 months. This does not include any payments that would be made to employees for overtime, shift premium, etc.

FTE: Full Time Equivalent is the term used to accumulate position counts. Some positions are part time rather than 40 hours a week. If a position is for 20 hours a week, it would be given an FTE value of .500. Most positions have the value of 1.000. Sometimes budget forms allow a value that is greater than one rather than listing individual position numbers; this is at the discretion of the OSBM budget analyst. Positions also can be funded from multiple fund/accounts, so this would cause a fractional amount to be assigned to each funding source

BEACON "Budgeted Amount": This is the position salary used for salary control. It should not be less than the employee salary. A vacant position should not have a salary less than the minimum salary for the position classification. Sometimes two full-time employees are assigned to the same position for a short duration of time, but the budgeted amount for the position should be the value of only one of the employee salaries. When two part-time employees occupy one position, the budget salary amount should be enough to cover both employee salaries.

RECURRING: If a budget revision is making a change that should be continued after the current biennium, it is considered recurrent and will be included in the Base Budget for consideration of the General Assembly.

BASE BUDGET: The base budget is the amount that is needed to continue the same functions presently being performed by the state. This is the starting point for the Governor's Recommended Budget as well as for the Appropriation Bill. Salaries make up a big percentage of the State's Budget and are given special attention.

Planned Position: For new positions, a planned position is established in BEACON to assign a new position number. The position number can then be put on the budget forms to link the actions. When funding is verified, OSBM approves the new position in BEACON so that it can be filled.