

## Budget Planning Considerations

When developing a budget for your unit, there are many things you must consider.

### Salaries and Fringes

- List all regular positions and their current salary amounts.
- Plan for any changes you may have including estimating the cost of the changes and how they will be funded. Some examples include:
  - Consider any compensation increases that will be effective in the new fiscal year.
  - Consider any vacant positions and plans you may have related to vacancies such as hiring temporary employees, costs of recruitment, or reclassifications to the positions.
  - Consider any changes you may wish to make to existing positions such as reclassifications.
- Plan for any graduate assistant, student, or temporary employees.
- You must include budget for fringe benefits for any compensation, regardless of type of employee. There is a cost for fringe benefits for temporary and student employees as well as regular employees. Fringe rates change each fiscal year. Current fringe rates are listed at <https://af.nmsu.edu/cost-accounting-rates/>

### Operating

- Plan for normal operating costs such as supplies, phone lines, etc. Review prior expenditure history for the last couple of years to get an idea of what was purchased and how much is spent each year.
- Plan for any professional development for the staff.
- Plan for any travel in the upcoming year. Is anyone attending a conference? Or is travel standard for their position (example recruiters travel to schools)?
- Plan for utilities and institutional support charges (only if not I&G).

### Equipment, Capital, and Transfers

- SPA-Plant Accounting can assist with specific questions regarding equipment and capital purchases.
- If you anticipate the need for any computers or equipment, you need to plan ahead for this. The process for spending these funds varies by type of funds.
  - I&G funding – you should speak to your college or unit business manager regarding opportunities to request funding for this. You may also be able to utilize your operating budget for equipment but the funds may need to be transferred to the plant fund to accomplish this. Equipment or capital expenses that are greater than \$10,000 cannot be expensed to an I&G index.
  - Grant or contract funding – hopefully this was included in the budget proposal. Please address specific questions to SPA.
  - Revenue funding sources – should budget an annual transfer to the plant renewal and replacement fund for this purpose. Please work with Cost Accounting on calculating the amount to transfer and with SPA to set up the renewal and replacement fund.
- If you anticipate any capital projects (construction, remodel, or other large building project), you should work with Facilities and Services.
- If you plan to transfer funds out of your index for another purpose, you need to communicate your plans to the Budget Office. Other purposes can include but are not limited to equipment and capital purchases.
- Note: All transfer plans MUST be communicated to the Budget Office by 3/31 for the current fiscal year. We must build the transfers into the budget to obtain budget authority for the transfers. If they are not budgeted, we cannot make the transfer in that fiscal year. You would need to wait until the next fiscal year.