



# **2022-23 BUDGET CALL Guidelines for Ancillaries**

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Budgets and Asset Management

October 2021



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## PURPOSE

The intended audience for these Budget Call Guidelines is administrators who manage the financial affairs of ancillary units at York University. The Budget Call Guidelines will inform the development and submission of ancillary budgets.

For purposes of this guide, ancillary units include:

- Ancillary units operating under Ancillary Services, those being:
  - Bookstores
  - Food & Vending
  - Housing
  - Parking
  - Printing Services
  - YU-Card
  - Lease & Contract Administration
- Telecom
- Academic units reporting into PVPA, being:
  - School of Continuing Studies
  - Executive Learning Centre

Separate guidelines are published for Faculties and Shared Services.

## INTRODUCTION TO SHARP

York University adopted the Shared Accountability & Resource Planning (SHARP) budget model in Fiscal 2017-18. The SHARP model replaced the former incremental budget model.

This document will assist ancillary units in understanding the SHARP budget model and provide guidelines for preparation of 2022-23 budgets and rolling budgets.

## SHARP PRINCIPLES

The SHARP budget model was developed through extensive research and wide consultation with the York Community.

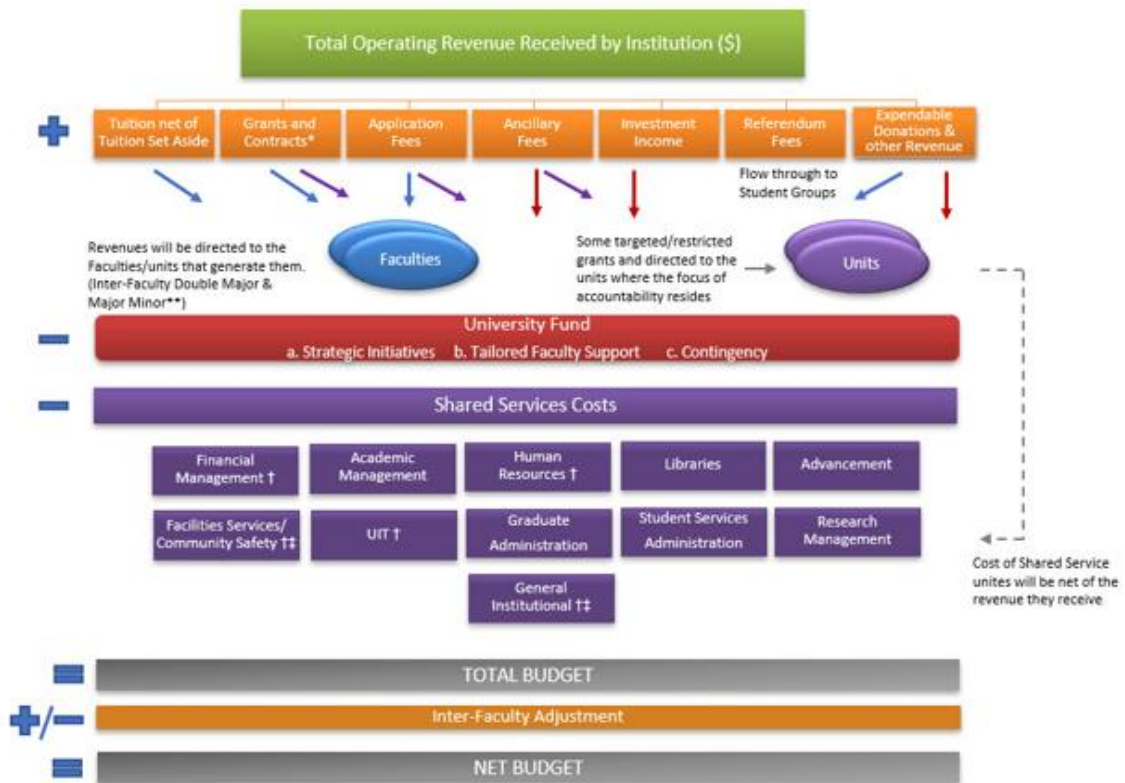
SHARP's guiding principles are to:

- Support the academic goals of the institution through the alignment of resources to priorities as outlined in our planning documents (White Paper, University Academic Plan and Faculty/School plans, IR Plans);
- Be transparent;
- Provide for a predictable and sustainable framework for budget planning;
- Provide performance incentives and ensure accountability; and
- Provide for clear and straightforward allocation methodologies.

As a summary, key features of the SHARP budget system include:

- Resource allocation to Faculties reflecting revenues they generate with University-wide costs charged back in a transparent and repeatable manner;
- Formalized budget committees;
- Rigorous shared accountability for resource management closest to the activity and/or decision point (e.g. enrolment targets set at institutional level; Faculties responsible for achieving local enrolment targets and for costs incurred locally); and
- A central University Fund to provide the necessary resources for:
  - Strategic initiatives in line with the University's key priorities
  - Support to certain Faculties experiencing systemic challenges in aligning revenues with costs, and who are embarking on recovery
  - Contingency funding to manage institutional risks and unforeseen costs.

# CONCEPTUAL ILLUSTRATION



\* Grants and Contracts includes formula funding, target grants, research overhead, accessibility grants, grants in lieu of municipal taxation .  
 \*\* Inter-Faculty tuition and grant revenues for Double Major and Major Minor programs will be allocated to both Faculties.  
 † Shared Service units cost bins attributed to Faculties. Each cost bin has associated sub-bins and drivers.  
 ‡ Cost attribution to Faculties and Ancillary units.  
 ‡ Assigned space (Facilities Services/ Community Safety bin), Collective Agreement benefit commitments and Pension & post-retirement benefit costs (GI bin) attributed to Faculties, Ancillary and Shared Service units.

## SYNOPSIS OF HOW SHARP WORKS

Faculties engage in teaching and research and generate associated funding streams through tuition and government operating grants.

Shared Services are administrative units within the University. Examples of Shared Services include the functions of Human Resources, Campus Facility Services, Student Services, Information Technology, etc.

General Institutional (GI) costs represent institution-wide costs that are typically managed by the Finance and Budgets and Asset Management Departments. Typical GI costs include collective agreement commitments, cost of pension special payments, bad debt and tuition waiver charges, etc.

Shared Services and General Institutional costs are often referred to as “bins”.

The operating costs of Shared Service and GI bins are charged to Faculties using applicable drivers, e.g. student full-time equivalents, faculty heads, net assignable square metres, etc. The driver for a particular Shared Service or GI bin is intended to allocate costs to Faculties in a manner consistent with how costs are incurred for that Shared Services unit and GI-related cost. As an example, the Human Resources Shared Service is charged to Faculties based on faculty and staff headcount in each respective Faculty.

## SUMMARY OF COST BINS AND DRIVERS

Administrative units are grouped into eleven Shared Services. A Shared Service is a collection of administrative units with similar activities or costs.

A Shared Service may or may not correlate to the current divisional structure at the University. Shared Services may also be composed of administrative units from multiple divisions or alternatively represent a subset of a division.

To contrast the various configurations, examples are highlighted below:

- Human Resources is a Shared Service that matches its current format in the divisional structure.
- Academic Management is a bin that contains administrative units from two divisions: President and PVPA.
- University Information Technology (UIT) is divided into three Shared Services: Common Services, Enterprise Academic Services, and Financial Management.

Table of Cost Bins and Drivers

Shared Service	Cost Bins	Sub-Bins	Driver Methodology
VPF&A Division <i>(excl. Campus Services, Community Safety, HR &amp; UIT)</i>	Financial Management		Total Oper. & Research Expend. (3-yr rolling average, slipped 1-year)
President's Division; PVPA; Faculty Relations	Academic Management		UG FTEs, Grad & fac FTEs (FT&PT), excl. SCS
Division of Equity, People & Culture <i>(excl. Faculty Relations)</i>	Human Resources		Population of faculty & staff (headcount)
York Libraries	Collections		UG FTEs, Grad/faculty FTEs (FT&PT); excl. OSG, SCS
	Operating Costs		UG FTEs, Grad/faculty FTEs (FT&PT); excl. OSG, SCS
Advancement	Alumni & Community Relations		Degrees Awarded (5 yr Average)
	Development <i>(excl. Development Officers)</i>		75% Degrees Awarded (5yr avg) & 25% Funds Raised (10yr avg)
Campus Services and Community Safety <i>(Space Costs separated by campus - Keele &amp; Glendon and excludes Nadal &amp; PDP which are self funded)</i>	Utilities & Facility Maintenance	Assigned Space	Net Assignable Square metres (NASM)
		Common/Unassigned Space	Total Population - FFTE (UG) and FTE (Grad, fac, staff); excl. off-campus students (OSG - PDP, EDU - off campus, SSB - India) & SCS students
	Other Campus Services <i>(incl. Community Safety)</i>	Teaching Space	Space utilized/Length of Time space utilized
		N/A	Total Population - Headcount (UG, Grad, fac, staff); excl. off campus students (PDP, Educ, SSB-India) & SCS students
UIT	Enterprise Academic Services		Student population - FFTE (UG) and FTE (Grad); excl. SCS students
	Common Services		Total population - FFTE (UG) and FTE (Grad, fac, staff); excl. SCS students
Faculty of Graduate Studies	Graduate Administration		Grad. Population (Headcount) - excl. LLM/PDP and SSB Masters
Student Services	Student Services Administration	Other - Office of VP, etc	Student population (Headcount); GL @ 75%
		Recruitment	Student Population (Headcount); excl. OSG-LLM/PDP; OSG UG @ 25%; SSB Grad @ 0%; GL @ 75%
		Admissions	Student Population (Headcount); OSG UG @ 25%; SSB Grad @ 75%
VP Research & Innovation	Research Services		Population of faculty (Headcount) - Ten. Stream & Prob. (50%) Research Expenditure (3 yr rolling average, slipped 1 yr); (50%)
General Institutional Costs	Collective Agree. Benefit Commitments		Adj. the Standard Fringe Rate to include collective agreements by employee group
	Pension & Post Retirement Benefits		Pensionable salary base of eligible employee groups
	Tuition Waivers		Population of eligible Faculty employees (fac. & staff Headcount)
	Bad Debts		Ratio of uncollectable fees to total fees (student accounts only)
	Other General Inst. Costs		UG FTEs, Grad & faculty FTEs (FT & PT); excl. SCS
	Capital Debt/Reserve Payment	Capital Debt	Net Assignable Sq. Metres (NASM) of Faculties, SCS adj. for Donations/Funds Raised
		Capital Reserve Paymt	Net Assignable Sq. Metres (NASM) of Faculties, SCS
	Centrally Funded UG & Grad Scholarships/Burs.		Student population (UG FTEs, Grad FTEs - OSG UG @ 75%; excl. SCS students)

## SHARP IMPACT TO ANCILLARY UNITS

### ATTRIBUTION OF SHARED SERVICES

In the past, ancillary units paid their direct cost of Shared Service costs for space, UIT, etc.

Under the SHARP model, in addition to their direct costs they are now attributed shares of all the other indirect costs that are applicable to services they use (such as Financial Management, Human Resources, etc.).

Ancillary units that operate in fund 200 are charged using account 099654.

SHARP Tax will be eliminated effective budget year 2022-23.

### SHARP TRANSITION TAX

#### Calculation

Upon implementation of SHARP, a transition tax was applied to all Faculties, Shared Services, and Ancillary Services. The SHARP transition tax was intended to fund the transition support given to Faculties under SHARP.

The SHARP transition tax was calculated using 2013-14 financial data and the dollar value was fixed and applied to budget years 2017-18 to 2021-22.

This coming fiscal year, 2022-23, the SHARP transition tax will be eliminated.

Please note – for Shared Services Units receiving base allocations, the SHARP Tax will be eliminated from account 099650 and recorded/allocated in account 099108 (SHARP Tax Neutralization Cuttable Base) and 099303 (SHARP Tax Neutralization Noncuttable Base). Effectively, this will keep the budget allocations of the Shared Services Units net neutral. These accounts will be repopulated for each cost centre.



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## Recording of SHARP Implementation Tax

The SHARP Tax of 2.62% was applied beginning in fiscal year 2017-18 and in every year of the budget call as a recurring XTO charge until fiscal year 2021-22, in account 099650 SHARP Tax OTO. In 2022-23, the SHARP Tax will be eliminated.

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## Budget Cuts and/or Taxes in Future Years

The present working assumption is that the existing 2.62% tax which was applied in 2021-22 will continue as base in Shared Services and be eliminated in Faculties and Ancillaries beginning 2022-23 and going forward. No further tax or budget cut is anticipated at this point but could be a future consideration for the Budget Council.

## **PREPARATION OF 2022-23 BUDGET AND OUTER YEARS**

The Office of Budgets & Asset Management will provide projected attribution of Shared Services for 2022-23, 2023-24 and 2024-25.

## **OTHER BUDGETARY PARAMETERS**

Beyond the SHARP-related guidance noted throughout these guidelines, the Office of Budgets & Asset Management has provided information on other important budgetary parameters.

## Compensation Increases

Budget administrators should familiarize themselves with the compensation increases outlined in the collective agreements so they can appropriately budget their compensation expense.

AFFILIATIONS	TERM OF COLLECTIVE AGREEMENT <sup>1</sup>	CA EXPIRY DATE	SALARY INCREMENTS FOR PLANNING PURPOSES			
			Type	FY 2022	FY 2023	FY 2024
<b>Academic</b>						
YUFA	Under Negotiation		ATB	1.00%	1.00%	1.00%
			PTR	\$2,750	\$2,750	\$2,750
OHFA	2019-2022	30-Jun-22	ATB	1.00%	1.00%	1.00%
			PTR	\$1,570	\$1,570	\$1,570
			Merit	\$1,525	\$1,525	\$1,525
CUPE 3903-1	2020-2023	31-Aug-23	ATB	1.00%	1.00%	1.00%
CUPE 3903-2	2020-2023	31-Aug-23	ATB	1.00%	1.00%	1.00%
CUPE 3903-3	2020-2023	31-Aug-23	ATB	1.00%	1.00%	1.00%
<b>Non-Academic</b>						
YUSA	Under Negotiation		ATB	1.00%	1.00%	1.00%
CUPE 1356	Under Negotiation		ATB	1.00%	1.00%	1.00%
CUPE 1356-1	Under Negotiation		ATB	1.00%	1.00%	1.00%
IUOE	Under Negotiation		ATB	1.00%	1.00%	1.00%
CPM <sup>2</sup>			Merit	1.00%	1.00%	1.00%

<sup>1</sup> Where there is no collective agreement in place for the fiscal year, a rate of 1.00% should be used for planning purposes, in line with the three-year moderation period introduced in Bill 124.

<sup>2</sup> CPM employees are also eligible to receive step progression increases, which have been incorporated into the Salary Planning Report, as well as a Performance Based Recognition Award (PBRA) from CPM Grades D-J. The Salary Planning Report assumes the mid-range from PBRAs (e.g. 2% for Grade H) though Administrators can determine the appropriate unit-specific assumptions relating to merit pay and incorporate into their budgets.

ATB = Across The Board

PTR = Progress Through The Ranks

## Standard Benefit Rates for 2022-23

Standard benefit rates in budget year 2022-23 are remaining the same as 2021-22. The attached schedule reflects the benefit rates that apply for Funds 100, 200, 300, and 600. Please use the following rates as planning assumptions for all years of the rolling budget.

Affiliation	2022-23 Rate	Affiliated Salary Plan(s)	Salary Plan Description(s)
YUFA / YUFA Exempt	19.0%	UFA UFE UTV	York University Faculty Association York Univ Faculty Assoc-Exempt YUFA EX – True Visitor
OHFA	19.0%	OSG OGE OGV	Osgoode Hall Law Association Osgoode Exempt Osg Hall Law-VisitingFTFaculty
CUPE3903 Unit 1	32.0%	QU1	Cdn Union of Public Emp 3903-1
CUPE3903 Unit 2	22.0%	QU2	Cdn Union of Public Emp 3903-2
CUPE3903 Unit 2	80.0%	QU3	Cdn Union of Public Emp 3903-3
CUPE3903 Unit 4	23.0%	QU4	Cdn Union of Public Emp 3903-4
CUPE3903 Exempt	10.0%	QUE	Cdn Union of Public Emp 3903-E
YUFA Retirees	10.0%	UFR	YUFA Retirees
Senior Executive	25.0%	SRX	Senior Executives
CPM	25.0%	CPM	Conf. Profes. & Managerial
YUSA	31.0%	USA	York University Staff Assoc
YUSA 2	10.0%	USP	YUSA 2 – Part time
YUSA 2 Casual/YUTA	10.0%	USC	YUSA 2 – Casual
YUSA 3	31.0%	US3	York Univ Staff Assoc-Unit 3
CUPE1356	34.0%	CUP	CUPE 1356 Full-time
CUPE1356-1	27.0%	CP2	CUPE 1356-1
CUPE1356-2	10.0%	CU2	CUPE 1356 – 2 Part-time
Part-time 1356	10.0%	CPT	CUPE 1356 Part-time
IUOE	26.5%	IUO	Inter Union of Operating Engin
Post Doctoral Visitors	15.0%	PDV	Post Doctoral Visitor
Post Doctoral Fellows	10.0%	POS	Post Doctoral Fellows
Research Assistants	20.4%	RAS	Research Assistant
Part-time Research Assistants	10.0%	GSR	Graduate Research Assistant
Research Associates	23.5%	RAC	Research Associates
YUELI	25.0%	ULE	YUELI Contract Teachers
Part-time YUELI	10.0%	ULP	YUELI Part-time Instructor
Other Classifications	10.0%	Various	Refer to benefit memo for details
Benefits Do Not Apply	0.0%	CHT	Host teachers
			CLH

## SALARY PLANNING TOOLS

Salaries and benefits are the largest cost of the University, typically representing anywhere from 80-100% of Faculty or unit expenditures. The following tools are available to assist in the planning and costing of employee complement.

### SHARP Salary Planning Report

- This Excel-based file is available to project salaries.
- This report:
  - reflects current complement and all processed ETFs
  - can be run by cost centre, ATL, department, or financial roll-up
  - is easily manipulated with advanced Excel features (filter, pivot)
  - is pre-populated with salary increases which are effective-dated
  - applies standard benefit rates
  - has functionality for sabbaticals or partial FTEs
  - includes a separate tab that lists vacant positions
  - calculates central increment funding (for base-funded Shared Services)
  - includes the new CPM framework

### Budget by Position

- Budget by position is a supplementary tool that allows users to capture salary budgets at a position level.
- This process allows users to upload a detailed schedule by position that supports their salary budget. This detailed schedule will then be available in eReports and will also be linked to the Statement of Operations and various other reports.
- This schedule will then be used to create a reconciliation report between actual and budgeted payroll charges which will help identify causes of variances between budgeted and actual salary amounts.

## BUDGET DEADLINES FOR THE 2022-23 BUDGET CALL

The following diagram outlines the process and deadlines for the 2022-23 Budget Call:

### May/June 2021

Office of the Provost commences enrolment contract discussions with the Faculties for future years

Office of Budgets and Asset Management (BAM) calculates year-end adjustments for the previous year's budget

BAM allocates funds to the Faculties and Units as per the approved budget plan

### September 2021

Faculty enrolment contracts for future years are finalized and embedded into the upcoming multi-year budgets

### October 2021

Budget Council reviews requests for base budget increases from Shared Services Units and advises the President for a final decision (deferred to 2022 for the 2023-24 Budget Cycle).

### November 2021

University Fund Council reviews requests for time-limited strategic investments from Faculties and Shared Services Units and advises the President for final decisions.

Budgets and Asset Management distributes budget envelopes to the Faculties

Budgets and Asset Management distributes budget allocations to Shared Service units

### January 2022

In-year enrolment projections updated and shared with Faculties

Faculties and Shared Service units finalize and upload their in-year forecasts (**deadline – January 31, 2022**)

### February 2022

Faculties and Shared Service Units complete multi-year budgets (**deadline – February 15, 2022**), approved by the Divisional Senior Executive Officers (**deadline – February 28, 2022**)

Board Finance & Audit Committee reviews in-year forecasts

### April 2022

Budgets and Asset Management finalizes multi-year budgets

Board of Governors approves multi-year budget plan

## CONTACT INFORMATION

For further information, please contact:

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