

2024-25 BUDGET CALL

Guidelines for Ancillaries

Budgets and Asset Management

November 2023

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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
- Athletics & Recreation
- 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 2024-25 budgets and rolling budgets.

SHARP PRINCIPLES

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

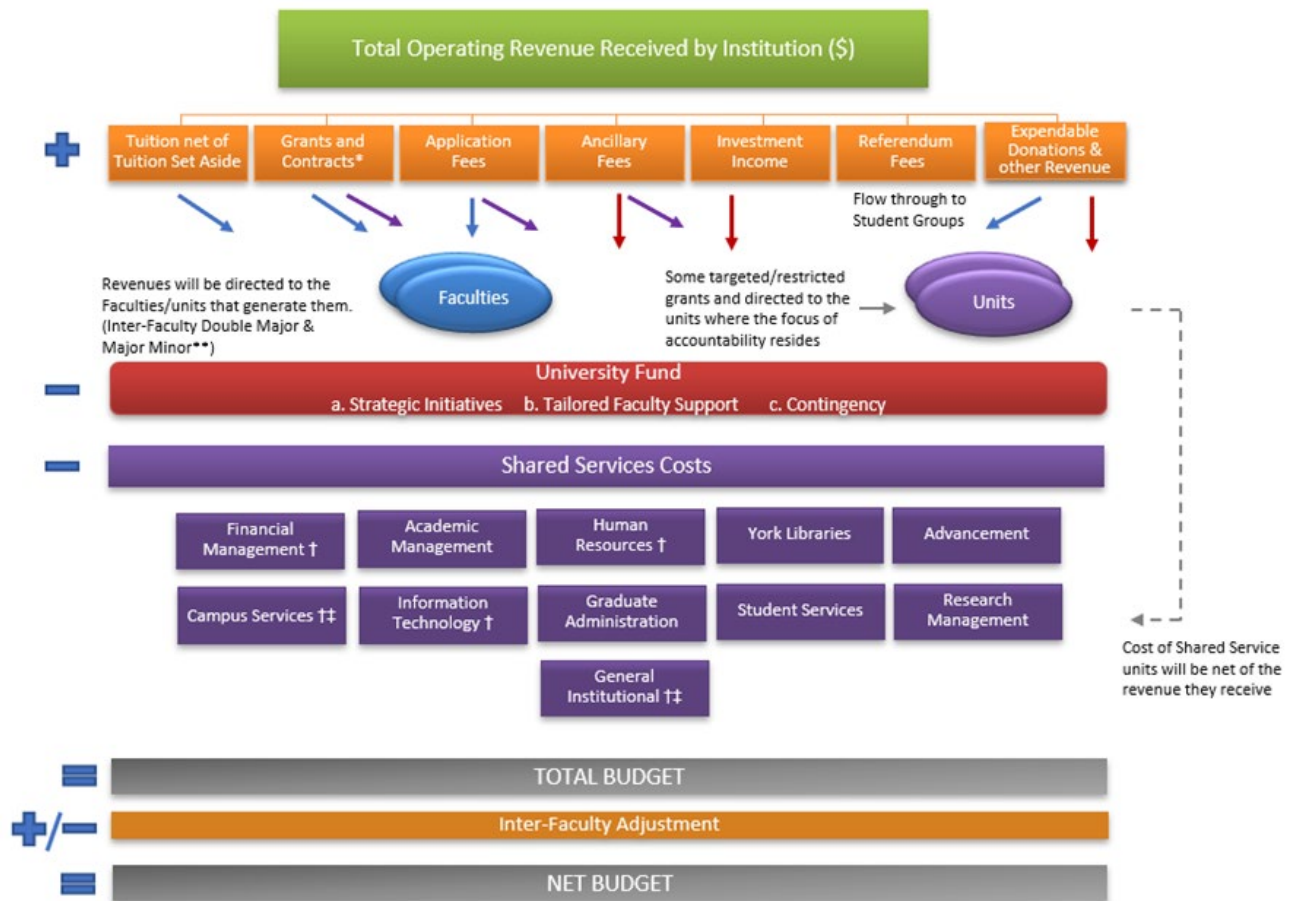
SHARP's guiding principles are to:

- 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 (Campus Services 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	Department	Cost Bins	Sub-Bins	Driver Methodology
Financial Management	Office of VPFA, Finance, USC - Finance, Budgets & Asset Management, Internal Audit, Office of Sustainability, UIT - Enterprise Business Application Services	Financial Management		Total Oper. & Research Expend. (3-yr rolling average, slipped 1-year)
Academic Management	President's Division, PVPA, Faculty Relations	Academic Management		UG FTEs, Grad & fac FTEs (FT&PT), excl. SCS
Human Resources	VPEPC excluding Faculty Relations, USC - HR	Human Resources		Population of faculty & staff (headcount)
York Libraries	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	Advancement Division	Alumni & Community Relations		Degrees Awarded (5 yr Average)
		Development		Degrees Awd (5yr Avg) & Funds Raised (10yr Avg)
Campus Services	Facilities Services, Community Safety, Temporary use of space, Transportation	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
			Teaching Space	Space utilized/Length of Time space utilized
		Other Campus Services		Total Population - Headcount (UG, Grad, fac, staff); excl. off campus students (PDP, Educ, SSB-India) & SCS students

TABLE OF COST BINS AND DRIVERS continued

Shared Service	Department	Cost Bins	Sub-Bins	Driver Methodology
Information Technology	UIT, USC-IT	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
Graduate Administration	Faculty of Graduate Studies	Graduate Administration		Grad. Population (Headcount) - excl. LLM/PDP and SSB Masters
Student Services	Vice-Provost Students	Administration		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%
Research Management	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	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 FFTEs, Grad & faculty FTEs (FT & PT); excl. SCS
		Capital Debt		Net Assignable Sq. Metres (NASM) of Faculties, SCS adj. for Donations/Funds Raised
		Reserve Contributions		Net Assignable Sq. Metres (NASM) of Faculties, SCS
		Centrally Funded UG & Grad Scholarships/Burs.		Student population (UG FFTEs, Grad FTEs - OSG UG @75%; excl. SCS students)

ATTRIBUTION OF SHARED SERVICES AND GENERAL INSTITUTIONAL COSTS

Ancillary Units are attributed their respective proportion of Shared Services and General Institutional costs.

The cost assigned for each bin may vary between years as a result of:

- Changes to the amount of funding into the Shared Service or General Institutional bin in any particular year, as approved by the President based on recommendations from the Budget Council; or
- Changes to the Faculty/Unit's proportionate share of the bin as per the applicable driver.

This is budgeted on account 099654 in Fund 200 and 922201 in Fund 300.

FUNDING LEVELS OF SHARED SERVICES AND GENERAL INSTITUTIONAL COSTS

The central funding into the Shared Service or General Institutional bin is called the “attributed cost”, that being the cost charged to a Faculty or Ancillary Unit.

The annual budgets for Shared Services are established as follows:

- Rolling the existing incremental base funding of the Shared Service forward to 2024-25 and later years;
- Estimating salary increment funding
- Applying any taxes or budget cuts; and
- Applying any additional funding outlined in the institutional budget plan or approved by the President based on recommendations of the Budget Council.

The annual budgets for General Institutional costs are established as follows:

- Funding decisions outlined in the institutional budget plan approved by the President; and
- Automatic adjustments as required by collective agreement commitments.

The Office of Budgets and Asset Management is responsible for calculating the attributable cost of each Shared Service and General Institutional bin.

CHANGES TO AN ANCILLARY UNIT'S SHARE OF THE DRIVER

The Office of Budgets and Asset Management (BAM) calculates the drivers based on institutional data (mostly provided by the Office of Institutional Planning and Analysis).

An Ancillary Unit's share of a bin will vary between years based on changes to the underlying driver data. To illustrate, assume nine Faculties/Units have static headcount and one Faculty/Unit has growing headcount. The Human Resources bin is allocated based on the total faculty and staff headcount. The Faculty/Unit with a growing headcount will assume a larger share of the Human Resources bin.

The drivers for each year of the multi-year budget call are distributed by BAM during the Budget Call.

CASCADING COSTS

Four Shared Service bins are attributed to Faculties, Ancillary Units and Shared Services, as they represent significant, recurring costs of the University. The four bins are as follows:

- Campus Services assigned space costs
- Benefits and collective agreement commitments
- Pension
- Bad debts

The above bins are called cascading costs as they are charged to each Shared Service, and form part of the ultimate attributed cost of each Shared Service. Example: The pension cost of Finance personnel is embedded into the cost of the Financial Management bin and this total bin is ultimately charged to Faculties.

The amount charged in respect of a Shared Service is the total of the:

- SHARP funding envelope for the Shared Service, plus
- cascading costs for that particular Shared Service.

CONTRIBUTION TO THE UNIVERSITY FUND

The University has established a University Fund to invest in academic priorities and set aside contingency funding for known budget risks that may materialize. Contingency funding may be earmarked for such risks as increased pension solvency funding or a reduction of government grant funding as a result of enrolments below base thresholds.

Ancillary Units contribute 8% of their external revenues to the University Fund. The external revenues is based on data lagged two years.

This is budgeted on account 099654 in Fund 200 and 922201 in Fund 300.

FINAL BUDGET RECONCILIATION AND ADJUSTMENT

The projected Shared Services and GI costs are calculated and shared with Ancillary Units during the Budget Call (i.e. prior to the beginning of a budget year) to facilitate their budgetary submissions.

At the start of the budget year, Ancillary Units budgets will be charged with the amount communicated during the budget call.

However, the Shared Services and General Institutional costs may vary from the original budget projections. Any variances between actual and budget will be included in a final year-end reconciliation.

At the close of the fiscal year, Office of Budgets and Asset Management will re-calculate each Ancillary Unit's actual entitlement under the SHARP model. Any difference between the final costs and the budgeted costs will be booked as a closing adjustment at the conclusion of the fiscal year. For instance, for the 2024-25 fiscal year, the final adjustment/true-up is expected to occur in May of 2025.

The year-end adjustment will be made through ledger account 099654 for Fund 200 and account 922201 for Fund 300.

PREPARATION OF 2024-25 BUDGET AND OUTER YEARS

The Office of Budgets and Asset Management will provide projected attribution of Shared Services and General Institutional Costs for 2024-25, 2025-26 and 2026-27.

OTHER BUDGETARY PARAMETERS

Beyond the SHARP-related guidance noted throughout these guidelines, the Office of Budgets and 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 ¹	CA EXPIRY DATE	SALARY INCREMENTS FOR PLANNING PURPOSES			
			Type	FY2025	FY 2026	FY 2027
Academic						
YUFA	2021-2024	30-Apr-24	ATB	3.00%	3.00%	2.00%
			PTR	\$2,833	\$2,833	\$2,833
OHFA	2022-2025	30-Jun-25	ATB	1.00%	3.00%	2.00%
			PTR	3,095	3,188	3,188
CUPE 3903-1	2020-2023	31-Aug-23	ATB	3.00%	3.00%	2.00%
CUPE 3903-2	2020-2023	31-Aug-23	ATB	3.00%	3.00%	2.00%
CUPE 3903-3	2020-2023	31-Aug-23	ATB	3.00%	3.00%	2.00%
Non-Academic						
YUSA	2021-2024	31-Jul-24	ATB	3.00%	3.00%	2.00%
CUPE 1356	2021-2024	31-Aug-24	ATB	3.00%	3.00%	2.00%
CUPE 1356-1	2021-2024	31-Aug-24	ATB	3.00%	3.00%	2.00%
IUOE	2021-2024	30-Jun-24	ATB	3.00%	3.00%	2.00%
CPM ²			ATB	3.00%	3.00%	2.00%

¹ Where there is no collective agreement in place, a rate of 3.00% should be used for planning purposes, in line with the budget assumptions being made on government's new tuition framework – assumed at 3%, 3%, 2% for FY 2025, 2026, 2027 respectively.

² 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 2024-25

Standard benefit rates in budget year 2024-25 are remaining the same as 2023-24. 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	2023-24 Rate	2024-25 Rate	Change	Affiliated Salary Plan(s)	Salary Plan Description(s)
YUFA / YUFA Exempt	21.0%	21.0%		UFA UFE UTV	York University Faculty Assoc York Univ Faculty Assoc-Exempt YUFA EX-True Visitor
OHFA	21.0%	21.0%		OSG OGE OGV	Osgoode Hall Law Association Osgoode Exempt Osg Hall Law-Visiting FT Faculty
CUPE3903 Unit 1	43.0%	43.0%		QU1	Cdn Union of Public Emp 3903-1
CUPE3903 Unit 2	26.0%	26.0%		QU2	Cdn Union of Public Emp 3903-2
CUPE3903 Unit 3	80.0%	80.0%		QU3	Cdn Union of Public Emp 3903-3
CUPE3903 Unit 4	35.0%	35.0%		QU4	Cdn Union of Public Emp 3903-4
CUPE3903 Exempt	10.0%	10.0%		QUE	Cdn Union of Public Emp 3903-E
YUFA Retirees	10.0%	10.0%		UFR	YUFA Retirees
Senior Executive	25.0%	25.0%		SRX	Senior Executives
CPM	27.0%	27.0%		CPM	Conf. Prof. & Managerial
YUSA	33.0%	33.0%		USA	York University Staff Assoc
YUSA 2	10.0%	10.0%		USP	YUSA 2 - Part-time
YUSA 2 Casual/YUTA	10.0%	10.0%		USC	YUSA 2 - Casual
YUSA 3	31.0%	31.0%		US3	York Univ Staff Assoc - Unit 3
CUPE1356	34.0%	34.0%		CUP	CUPE 1356 Full-time
CUPE1356-1	27.0%	27.0%		CP2	CUPE 1356-1
CUPE1356-2	10.0%	10.0%		CU2	CUPE 1356-2 Part-time
Part-time 1356	10.0%	10.0%		CPT	CUPE 1356 Part-time
IUOE	26.5%	26.5%		IUO	Inter Union of Operating Engin
Post Doctoral Visitors	15.0%	15.0%		PDV	Post Doctoral Visitors
Post Doctoral Fellows	10.0%	10.0%		POS	Post Doctoral Fellows
Research Assistants	20.4%	20.4%		RAS	Research Assistant
Part-time Research Assistants	10.0%	10.0%		GSR	Graduate Research Assistant
Research Associates	23.5%	23.5%		RAC	Research Associates
YUELI	28.0%	28.0%		ULE	YUELI Contract Teachers
Part-time YUELI	10.0%	10.0%		ULP	YUELI Part-Time Instructor
Other Classifications	10.0%	10.0%		Various	Refer to Benefit Memo for Details
Benefits Do Not Apply	0.0%	0.0%		CHT CLH	Host teachers Casual-Guest lect., honorariums

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
 - includes the CPM framework
 - calculates central increment funding (for base-funded Shared Services)

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 2024-25 BUDGET CALL

The following diagram outlines the process and deadlines for the 2024-25 Budget Call:

May/June 2023

- 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 2023

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

October 2023

- Budget Council reviews requests for base budget increases from Shared Services Units and advises the President for a final decision

November 2023

- 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 2024

- In-year enrolment projections updated and shared with Faculties
- Faculties and Shared Service units finalize and upload their in-year forecasts (**deadline – January 31, 2023**)

February 2024

- Faculties and Shared Service Units complete multi-year budgets (**deadline – February 15, 2024**), approved by the Divisional Senior Executive Officers (**deadline – February 28, 2024**)
- Board Finance & Audit Committee reviews in-year forecasts

April 2024

- 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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