

Frequently Asked Questions (FAQs) for Perm FY2017 ERE Distribution

- A. Why don't we return to the prior way and just leave ERE in the College pool account and charge all expenses to a single account?
- Response: The College never managed the ERE budget in the past. Despite CALS having an ERE pool, it was managed by the Budget Office. Management responsibility was transferred to CALS on 7/1/2013, the same as all other colleges.
 - Response: If we use one College pool account and the account has a negative balance at year end, it will decrease our ability to make new hires, fund merit adjustments, and pay startup packages. Growth of our academic mission areas of Teaching, Research, and Extension are a college requirement if we are to avoid budget cuts under Responsibility Centered Management (RCM).
 - Response: It will be impossible to determine which unit is overspending the amount that would have been allocated to cover their Permanent Personal Services.
- B. Why are we distributing permanent ERE funds to units?
- Response: Providing the individual department with permanent ERE funding will support the strategic plan of unit empowerment and trust. Units currently have this same responsibility for all other budget categories, except ERE.
 - Response: This action was a goal of the original plan as outlined in the [2014 ERE notification](#).
 - Response: Units are in the best position to properly manage their resources and conserve ERE. Allocating ERE aligns the "ability to manage" with the "responsibility and accountability to manage."
- C. What about 5 years from now? How will future increases in ERE affect us as units?
- Response: When the University allocated the ERE funding to each college/Responsibility Centered Units (RCU), it was made clear that ERE funding would not be automatically increased for future increases. Careful planning and funding of faculty and staff is critical, and the department should explore alternate personal services funding sources to reduce the requirement for state ERE funding.
- D. What if the State appropriates or the University distributes ERE in the future? How will these funds be distributed?
- Response: While unlikely given a decade of history of appropriations at the State and the actions from the University, if this were to happen, the College would need to look closely at the need as well as the budget in each of the units. The short answer is no decision has been made on how to distribute if this were to happen.
- E. What if a unit has a positive balance in their ERE account at the end of the fiscal year? Is carryover allowed? What options do we have to use these funds for other purposes?
- Response: ERE balances will not be reviewed in the Carry Over balances on 6/30/2016, and you are allowed to carry these over from FY16 to 17.
 - Response: In future fiscal years, ERE balances will be included in the calculation for the 3% carryforward process. ERE balance in excess of 3% will be treated the same as any other budgetary category; approval is required for carryforward greater than 3%, per [college policy](#).
 - Response: If a unit wants to use ERE balances for other purposes than paying ERE costs, a request will be submitted to the Associate Dean of Finance & Administration to review proposed use of these funds. ERE costs are unlikely to decrease in the near term. It is critical that units plan ahead for potential costs.

- F. What happens when a faculty member (T/TE or C/CE) retires or resigns? Does the College still pull the funds? Will they pull both Salary and ERE?
- Response: When a T/TE or C/CE faculty retires or resigns CALS will move the salary and ERE at the current ERE rate at time of separation to the College pool for redistribution and future hiring plans.
- G. How will ERE be distributed for New Hires that are approved by CALS? Will additional ERE be distributed?
- Response: When new hires are approved and funded, both salary and ERE will be transferred to the department at the current ERE rate at time of hire. Funding for these new hires will come from the College pool.
- H. How can I investigate and reconcile my ERE account if it is in deficit to discover the source of the overage?
- Response: A dashboard is being developed that will provide ERE expense and encumbrance detail by object code for each unit. Business officers will be able to compare ERE allocation by object code with the actual expense/encumbrance amounts. One possible reason is if a unit uses Temporary Wages (object code 1300) to hire Classified Staff (object code 1180). There is a difference in the ERE rate.
 - Response: Unit business officers will be responsible to reconcile ERE accounts as they would any other account. Discrepancies are the responsibility of the unit business officer to investigate and resolve.
 - Response: Additional information is available at the CALS Business Services website.
- I. When CALS awards graduate student allocations, where is ERE funded?
- Response: ERE will be transferred to the department which receives a graduate student allocation from Career & Academic Services at the current 13.4% ERE rate.
 - Response: If a unit hires a graduate student with departmental funds (not the allocation from Career & Academic Services or CALS Graduate Funding), the unit will be responsible for funding ERE and tuition remission.
- J. What flexibility do I have in managing my ERE funds?
- Responses: Business officers will be responsible for managing their overall ERE funds. This is even more critical with the permanent allocations distributed. The College pool will not have funding to provide a subsidy or “bailout.” This applies across all units in CALS, teaching, research, and Extension.
- K. Who pays ERE for new non-faculty hires?
- Response: Department funds will pay for salary and ERE for any new hires.
- L. If a unit revises employee funding from a non-state account to a state account where is the ERE expense charged?
- Response: The ERE expense will be posted to the unit’s ERE department account. The unit must fund the appropriate ERE.
- M. If a unit moves funds from Operations to Wages to fund personal services on a temporary basis, where will be ERE expense be charged?
- Response: This ERE expense will be posted to the unit’s ERE department account so funds must be transferred to cover this. This rule has been unchanged at the UA for many years. Unit business officers will need to continue to observe this rule.
- N. If a unit ends the fiscal year in a deficit in their ERE account, will a negative amount be carried forward to the following fiscal year?

- Response: The carry forward process will reflect a negative carry forward for object code 2000 in the department ERE account.
- Response: The unit business officer will develop a plan to balance the deficit in the ERE account that same fiscal year.

O. See CHART below on Tuition Remission

Direct Charge Tuition Remission for Graduate Student Appointments

Tuition for TA’s and RA’s on GA appointments will expense to the account(s) from which they are paid over 6 pay periods per semester. **The FY17 resident tuition rate will be published soon.** Non-resident graduate students on a Graduate Assistant/Associate appointment receive reduced tuition rates equal to resident tuition. This process applies to any graduate student on a TA or RA contract. Mandatory fees are still the students’ responsibility.

Tuition remission charges to accounts the same way ERE does. If College funds are given to units to cover grad salary, most often ERE and Tuition Remission funds will also be transferred. When department funds are used, units must account for tuition remission expenses in addition to ERE. The table below summarizes funding responsibilities.

Grad Asst/Assoc (RA or TA) Salary Sources	ERE Funding	Additional Funds Provided from College	Tuition Remission Funding	Additional Funds Provided from College
Department State	Department State ERE pool	No	Department State ERE pool	No
Grad Funding 1. State Funded (GenEd/Micro/CALS) 2. Federal Capacity Funding (Hatch, Multi-State, Etc.)	1. ERE transferred to Unit ERE Pool Account. 2. ERE funded directly from College Federal Funds.	Yes	1. Tuition Remission transferred to Unit ERE account. 2. Tuition Remission funded directly from College	Yes
Department Discretionary (Sales/Service, IDC, Miscellaneous, etc.)	Discretionary account where salary posts	No	Discretionary account where salary posts	No
Sponsored Project Awards (non-USDA)	SPS account where salary posts	No	SPS account where salary posts	No
USDA Grants	Grant Account where salary posts.	Yes	College account	Yes