



**College of Letters & Science**  
UNIVERSITY OF WISCONSIN-MADISON

TO: L&S Chairs, Directors, and Department Administrators

FROM: Eric M. Wilcots, Dean, College of Letters & Science 

DATE: August 26, 2022

RE: Changes to BSR accounting for faculty budgets

Effective July 1, 2022 (FY23), the College is modifying the Budget Status Report (BSR) accounting rules for faculty paid partially or completely on fund 101. These changes are conceptually similar to the [changes to BSR accounting rules for STS and TAs](#) implemented in FY19 and the [changes to BSR accounting rules for staff](#) implemented in FY21. As with previous changes to the BSR system, these modifications are intended to make BSR accounting more intuitive, more closely coordinate BSR budget entries with budget entries found in WISER, increase the transparency of College finances, and facilitate decision-making about the best use of departmental resources.

To implement this accounting change, a new faculty budget sheet has been added to each BSR. The initial entry is an ongoing credit establishing the department's 101 faculty budget. A charge for actual 101 faculty expenditures will be posted at the end of each fiscal year. Any year-end surplus (or deficit) on the faculty budget sheet will result in a one-time credit (or charge) to the department's tally sheet. In this way, departments will now capture savings when faculty are temporarily off the L&S 101 budget due to research buyouts, external fellowships, unpaid leaves, academic-year sabbaticals, and administrative appointments outside L&S.

The College has historically relied on off-101 savings in order to balance our 101 budget. Essentially, we have leveraged these savings to permit departments to hire more faculty than would otherwise have been possible. In order to allow departments to retain these savings, the College must address the resulting budget shortfall. We estimate that the off-101 savings will be approximately \$6M per year, which is roughly 6% of total L&S 101 faculty expenditures. The College is able to absorb this amount by applying new base budget that we expect to receive from central campus for enrollment expansion.

As stated above, the new accounting rules are intended to make BSR accounting more intuitive, though many existing BSR rules are not changing. Nevertheless, faculty funding is sometimes complicated. To determine the initial faculty budgets, we computed the sum of the ongoing credits that the department would receive if all current faculty members paid with 101 funds

**Office of the Dean, College of Letters & Science**

Eric M. Wilcots, Dean 105 South Hall 1055 Bascom Mall Madison, WI 53706-1394  
Office: 608-263-2303 Fax: 608-265-3564 dean@ls.wisc.edu www.ls.wisc.edu

(partially or completely) immediately departed. The implementation details below indicate how the new accounting rules will be applied in many common situations. Implementation in more novel situations will be determined by the L&S divisional associate deans, the L&S Budget Office and me as they arise. FY23 BSRs with the new faculty budget sheets have been uploaded to the department folders in the L&S Box. Questions may be directed to your divisional associate dean or Mary Beth Roberts ([marybeth.roberts@wisc.edu](mailto:marybeth.roberts@wisc.edu)).

### **Implementation details**

#### Computation of initial 101 faculty budgets

- initial budget established
  - the L&S Budget Office calculated the ongoing tally sheet credits that the department would receive if all faculty paid on 101 base in the department immediately departed
  - an additional entry added budget to reflect faculty on 101 funding that will go back to the College, central campus or another division or department at departure of that particular faculty member (cluster hires, TOP hires, etc.)
- budget excludes salaries (or portions of salaries) the department has already committed to permanently pay on non-101 funds
  - e.g., commitments on 131, gift funds, or research funds
  - in these cases, the department either was not charged for the hire initially (e.g., 131 hires) or already received tally sheet credit when salary was shifted off 101 (e.g., professorships that pay a portion of salary)
- budget excludes TBAs
  - instead, one-time credits for 101 TBAs will be posted annually to faculty budget sheet
- budget includes 101-funded clusters and TOPs
  - however, per cluster/TOP funding rules, the budget partially goes back to central campus after 5 or 6 years, and the remaining budget goes back to central campus upon faculty departure

#### Non-L&S administrators paid on non-L&S funding string

- e.g., administrators in OVCRGE or Provost's Office
- department will capture salary savings
- department will no longer receive STS budget from L&S but are encouraged to use the savings to cover STS costs as needed
- upon return to the department
  - department pays faculty member at their new base rate
    - may reflect increases received while administrator/director
  - no new budget to department unless provided by non-L&S unit
- some departments have already received ongoing tally sheet credit
  - based on assumption that faculty would never return to department

- department agreed they would pay if faculty ever returned
- in these cases, salaries not included in initial faculty budget
- if faculty returns, no new budget to department unless provided by non-L&S unit

#### L&S dean and associate deans

- administrative appointment will be paid on L&S Admin (4802) funding string
- department will capture salary savings
- department will no longer receive STS
- upon return to the department
  - department pays faculty member at their new base rate
    - may reflect increases received while administrator
  - College will provide ongoing credit to department faculty budget
    - equal to the change in salary while in L&S, prorated by the L&S appt percentage
      - i.e., if faculty member's salary was \$X before joining L&S and \$Y upon return to department, and faculty member had z% appointment in L&S Admin, the department would receive ongoing credit of  $(\$Y - \$X) * z\%$
    - the department is responsible for any subsequent salary growth
    - the ongoing credit will return to the College upon the faculty member's departure from department
- some departments have already received ongoing tally sheet credit
  - based on assumption that faculty would never return to department
    - department agreed they would pay if faculty ever returned
  - in these cases, salaries not included in initial faculty budget
  - if faculty returns
    - department would need to repay initial tally sheet credit
    - College would provide the ongoing credit described above
    - department is responsible for any subsequent salary growth

#### L&S center directors

- essentially maintains the status quo
  - departments do not capture salary savings under current BSR rules
- faculty directors will be paid in home department
  - the director's 101 salary will no longer be paid on center's funding string
  - the L&S centers will not have a faculty budget
- no salary savings to home department
  - except in some cases where center pays some/all of director's salary with non-101 funds
- College will continue to provide STS to home department (when applicable)
- College will continue to provide TBAs (when applicable)
- upon return to department

- department will receive new budget only if there is an adjustment of outgoing director's salary

#### IRH faculty fellows

- essentially maintains the status quo
  - departments do not capture salary savings under current BSR rules
- IRH fellows will be paid in home department
  - are no longer paid on IRH funding string
- no salary savings to home department
- IRH will not have a faculty budget

#### External fellowships

- department captures savings from
  - external funding (when funding is run through UW)
  - unpaid leave (when funding is not run through UW)
  - any OVCRGE contributions
- any residual salary paid on 101 will be borne by the department
  - College will continue to provide one summer month for ACLS, Guggenheim and NEH fellowships. However, this funding will now be 131 funding rather than 101 funding string starting in FY24

#### Department chairs

- faculty who become chairs in their home department
  - no change from existing practice
  - faculty continue to be paid in home department
  - College provides TBA
  - department grants course release(s). College doesn't provide backfill STS
- faculty who become chairs in other departments
  - same as above, except College also provides STS to home department
  - alternative arrangements would require dean's prior approval
- outgoing chair's research fellowship awards
  - maintain existing practice of applying for fellowship
  - salary paid by department
  - department grants course releases
  - College provides one STS backfill for the fellowship

#### Salary exercises

- ongoing credits will be posted to the faculty budget sheet for
  - faculty block grants
  - state-funded increases

- spending the faculty block grant
  - if raises equal the faculty block grant
    - no further entry to faculty budget sheet
    - ongoing credit will offset the ongoing increase in actual expenditures
  - if raises exceed the faculty block grant
    - ongoing resources transferred from tally sheet to faculty budget
  - if raises are less than the faculty block grant
    - unless underspending is significant, funds will remain on faculty budget sheet
    - may offset costs of post-tenure review raises
- post-tenure review
  - budget for post-tenure raises is included in faculty block grant
  - no further entry to faculty budget sheet when post-tenure raises are given
- performance bonuses
  - when campus provides bonus funds, a one-time credit is posted to the tally sheet
  - once the department decides how to allocate bonuses between faculty and staff, the L&S Budget Office will shift the amount for faculty bonuses to the faculty budget sheet
  - one-time credit will offset the one-time increase in actual expenditures

#### Other raises

- standard promotional raises
  - continue to be provided by campus and College
  - ongoing credit posted to faculty budget sheet
- supplemental promotional raises and retention raises
  - continue to be provided by department
  - resources will be shifted from tally sheet to faculty budget sheet
- raises to outgoing chairs and L&S center directors
  - continue to be provided by College (subject to College review)
  - ongoing credit posted to faculty budget sheet

#### New hires

- faculty expected to be paid fully on 101
  - ongoing charge to tally sheet for full salary
  - ongoing credit to faculty budget sheet for full salary
- faculty expected to be paid entirely off 101
  - e.g., full funding on 131 or gift funds or research funds
  - no charge to tally sheet
  - no credit to faculty budget sheet
- faculty expected to be partially off 101
  - ongoing charge to tally sheet for partial salary

- ongoing credit to faculty budget sheet for partial salary
- if actual funding diverges from initial expectations
  - any over/underspending of the faculty budget results immediately in one-time charges/credits to tally sheet
  - the ongoing faculty budget will be adjusted over time through the budget adjustment mechanism (discussed below)

#### Bridge funding

- SHI funds from Provost or bridge funding from other divisions
  - one-time credits posted to faculty budget sheet
- bridge funding from other L&S departments
  - one-time credits posted to faculty budget sheet of hiring dept
  - one-time charges posted to tally sheet of dept providing the funds
- if bridge funding is provided through non-101 funding
  - e.g., an external fellowship or temporary research funding
  - no one-time credits to faculty budget sheet
  - instead, department captures savings through reduction of 101 expenditures

#### Changes in funding

- shifting off 101
  - e.g., professorship will pay partial salary on gift funds
  - ongoing credit to tally sheet
  - ongoing charge to faculty budget
- shifting onto 101
  - e.g., move 131 faculty onto 101 budget
  - ongoing charge to tally sheet
  - ongoing credit to faculty budget

#### Departures

- ongoing credit to tally sheet
- ongoing charge to faculty budget
- following current practice, amount of credit/charge is faculty member's current salary less any off-101 credit explicitly claimed by the department for that faculty member

#### Clusters

- new hires
  - central campus covers initial salary
  - ongoing credit to faculty budget
    - equal to initial salary for 101-funded clusters
    - no entry for non-101 clusters

- no entry on tally sheet
- change in cluster funding after 5 or 6 years
  - 30% of initial salary goes back to central campus
  - ongoing charge to tally sheet for 101-funded clusters
  - no entry to faculty budget sheet
- departures
  - cluster funding goes back to central campus
  - ongoing charge to faculty budget equal to final salary
  - ongoing credit to tally sheet equal to final salary less campus contribution at time of departure (either 70% or 100% of initial salary)

#### TOPs

- new hires
  - central campus pays up to \$90K of initial salary
  - ongoing credit to faculty budget
    - equal to initial salary for 101-funded TOPs
    - no entry for non-101 TOPs
  - ongoing charge to tally sheet
    - no charge if initial salary is less than \$90K
    - ongoing charge for any 101-funded salary in excess of \$90K
- change in TOP funding after 5 years
  - \$45K goes back to central campus
  - ongoing charge of \$45K to tally sheet for 101-funded TOPs
  - no entry to faculty budget sheet
- departures
  - TOP funding goes back to central campus
  - ongoing charge to faculty budget equal to final salary
  - ongoing credit to tally sheet equal to final salary less campus contribution at time of departure (\$45K or \$90K)

#### Anna Julia Cooper post docs

- initial post-doc year
  - new hire receives 90% of initial asst prof salary
  - campus provides funding
  - department receives one-time credit on faculty budget sheet
- the following year, hire posted in usual way
  - ongoing charge to tally sheet
  - ongoing credit to faculty budget

#### Nellie McKay fellowships

- campus provides funding in year 3 or 4 of asst prof appointment

- department receives one-time credit to faculty budget
- if Nellie McKay receipt was also a TOP or cluster hire, campus will adjust the TOP/cluster salary allocation for the academic year based on the fellowship funding provided
  - campus already pays portion of TOPs and clusters
  - department won't receive budget twice (salary + fellowship)

#### Existing entries on tally sheets for FY23 and beyond

- bridge funding
  - entries for 101-funding will be moved to faculty budget sheet
- new hires with delayed starts
  - ongoing charges on tally sheet based on start date
  - corresponding ongoing credits posted to faculty budget sheet
- future retirements (only if retirement letter has been submitted)
  - ongoing credits on tally sheet
  - corresponding ongoing charges posted to faculty budget sheet

#### Adjustment of faculty budgets

- tally sheet is intended to reflect the department's "available resources" on fund 101
- this implies fac/staff/TA budgets need to be adjusted to reflect actual spending
  - we already adjust TA budgets (annually)
  - we review/adjust staff budgets annually (see July 3, 2020 memo)
  - we will periodically review/adjust faculty budgets