

**CAMPUS GUIDELINES  
FOR COMPLETING THE DATA TEMPLATE FOR  
PRESIDENT'S ADVISORY COMMITTEE ON EFFICIENCY AND  
EFFECTIVENESS (PACE)**

***DRAFT June 13, 2006***

***Changes since the draft dated June 6, 2006 are underlined  
Work-in-progress***

**General Concept**

The data collection template distinguishes between core functions and enabling functions, all of which appear on the template. The core functions are instruction, research, and public service. The core functions are representative of the mission of the university. The enabling functions support the core functions. The enabling functions consist of twelve functions, each of which contains two or more enabling sub-functions. A table of this taxonomy accompanies these guidelines.

The goal of the taxonomy is to better understand where our time and resources are being spent. In order to do so, unit managers will need to provide thoughtful responses to the data inputs, which will quantify the resources required to perform the functions in which the employees are engaged. This approach is generally different from that taken by studies of this nature. Managers must think outside of traditional accounting classifications, must think across campus organizational structures, and think outside of reporting hierarchies. Managers must think in terms of functionality (i.e. Enabling Functions), meaning thinking about what their employees actually do.

The following commentary is intended to guide this thought process with general guidelines to insure commonality of data inputs across departments and across the different campuses.

## Data categories

### *Personnel Compensation / FTE Employees*

The template is organized into familiar position classifications: faculty, EPA non-faculty, and SPA employees. The intent is to apportion full-time equivalent (FTE) employees, salaries and staff benefits, and all other expenses to core functions and / or enabling functions. For your guidance, FTE's are to be allocated at the two digit decimal level.

### *Control Numbers for Fiscal year to date Expenditures (June 30, 2005) and FTE Employees*

In order to account for 100% of your institution's expenditures, reporting units will be provided with control numbers for FTE employees and expenditures for the year ended June 30, 2005 – the latest year of actual expenditures currently available.

Generally, the actual expenditures should be reconcilable to the institution's official financial statement, with appropriate adjustments for accruals and / or internal service funds, if, in the opinion of the institution, such adjustments are material. Some items that show up as expenditures may not be attributable to core functions or attributable to enabling functions and therefore are reconciling items. Common examples are: carry forward of funds, accounts receivable write-offs, and disaster relief transfers back to the State's General fund. Observation: The expenditure data that your departments are most familiar with is on the cash basis of accounting, in general.

Pursuant to feedback from the institutions, two scenarios have emerged regarding the recommended control numbers for FTE employees. The choice of the preferred scenario is contingent on data bases available at each institution.

Scenario A: Control numbers for FTE employees may be derived from those reported from the Personnel Data Files used for the IPEDS survey as of September 30, 2004 – a common reference point for each campus. This is a readily available data point that correlates with actual expenditures for the fiscal year 2004-05. Since the employee FTE numbers represent a point in time, they must be allocated to reflect an entire year of expenditures and within a framework of all faculty, EPA non-faculty, and SPA employees engaged in the activity during the entire fiscal year. An allocation methodology may be required in order to reflect fiscal year activity. If the totality of the Personnel Data File is directionally correct for the fiscal year, the PDF data may prove adequate – this requires a managerial assessment.

Scenario B: Control numbers for FTE employees may be derived from those end-of-the-year data bases available at the institution that already reflect actual expenditure and FTE experience throughout the fiscal year. Due to various external reporting requirements, this option may be preferred by those institutions engaged in significant contract and grant research.

The purpose of scenario choices is to enable an institution to utilize the information on-hand that most correctly reflects institutional activity during the reporting period. As a reality check, the numbers reported for this purpose should reasonably correspond to such information reported for other purposes, such as federal time and effort reporting.

Both scenarios A and B contemplate an attribution of staff benefits added to the salaries in order to derive the total reported personnel costs.

Expenditures other than those associated with the reported FTE employees become the default amounts (column labeled "All Other Expenses") for the purpose of balancing to your respective control numbers (i.e. total expenditures).

The control numbers, as well as the data inputs are segregated into two categories: funds expended in the State's General Fund (appropriations and receipts) and funds expended from non-General Fund sources.

The use of control numbers at the unit operating level is for the purpose of insuring that all expenditures are accounted for at the campus-wide level. Roll-up of data at the unit operating level across the UNC System or comparison of unit operating costs across the campuses are not contemplated. Roll-up of data across the UNC system at the core function, enabling function and enabling sub-function is contemplated.

## **Core Mission verses Enabling Functions**

### *Instruction*

Individuals reported under Instruction must engage firsthand in the activities cited in the taxonomy under the definition of Instruction. If an employee does not deliver instruction (i.e., teach), that employee is effectively performing an enabling function. Generally, faculty is reported under instruction; a limited number of EPA non-faculty may be reported here; and SPA employees are generally reported in the appropriate Enabling Function. Employees engaged in an Enabling Function will require an assessment by the unit manager in order to classify that employee's FTE and personnel costs into the proper enabling function(s).

### *Research*

Individuals reported under Research must engage firsthand in the activities cited in the taxonomy under the definition of Research. If an employee does not meet this guideline, that employee is effectively performing an enabling function. Generally, research faculty and certain EPA non-faculty are reported here; SPA employees require an assessment by the unit manager. Employees not reported under Research are to be reported in the appropriate Enabling Function. For further guidance, please see a later section labeled Special Situations - Contracts and Grants.

### *Public Service*

Individuals reported under Public Service must engage firsthand and directly in the performance and delivery of activities cited in the taxonomy under the definition of Public Service. If the employee does not meet this guideline, the employee is performing an enabling function. Generally, faculty, EPA non-faculty and some SPA employees may be reported under Public Service. Employees not reported under Public Service are to be reported in the appropriate enabling function. This will require an assessment by the unit manager responsible for the work actually being done.

## **Organizational Anomalies**

The data collection phase of the study anticipates the diversity and complexity of the organizational structure among the institutions. The study relies on reporting based on functionality (i.e. core functions and enabling functions), which cuts across the organization charts. Reporting by functionality effectively re-mixes the resource base of the institution in order to quantify the total cost of a given function across the varied operating units.

Actual work being done, defined by functionality, may occur under differing organizational structures and reporting hierarchies. For instance, the Human Resources function may exist in multiple operating units (i.e. decentralized) on the organization chart. When individual managers report by enabling function, (e.g., Human Resources), the total resources committed to that function, campus-wide, becomes evident once the data are aggregated at the campus level. To take this example one step further, part of the payroll function may exist under Human Resources and part may exist under Fiscal Activities. In the taxonomy, payroll falls under Fiscal Activities. Therefore, those activities related to payroll that administratively report to Human Resources would be reported in the taxonomy under Fiscal Activities – Payroll. Clearly, the study requires assessment by managers with firsthand knowledge of the work that employees perform.

Similar scenarios may be evident in budget management, student admissions, media relations, and fundraising activities. These scenarios are for illustrative purposes only.

## Special Situations

### *Vacant Positions*

The study relies on actual expenditures – what was expended to get the desired functionality. Lapsed salary funds expended for non-personnel are logically reported in the column labeled “All Other Expenses.” Unexpended lapsed salaries, to state the obvious, are not reflected in the actual expenditures.

### *Contracts & Grants*

The underlying concept of the study recognizes that contracts and grants are generally awarded on a competitive basis, with funding targeted to prescribed outcomes. Therefore, all direct costs of executing the requirements of contracts and grants are to be reported under the core function of Research.

### *Auxiliary Services*

The study recognizes that each auxiliary service is operated as a self-supporting entity. Also, each auxiliary sustains all of its direct costs of operation and its proportionate share of indirect costs. Therefore, the direct and indirect costs of each auxiliary are to be reported under the appropriate enabling function / sub-function.

### *Contracts & Outsourcing*

Expenditures pursuant to service / performance contracts and outsourcing contracts are to be reported in the column labeled “All Other Expenses.”

### *Information Technology*

Information technology resources separately budgeted and expended are to be reported under Enabling Function – Information Technology. The data collection exercise recognizes that considerable IT resources may be an integral part of one or more core functions and enabling functions, and not separately budgeted and expended. Therefore, unit managers must make an assessment of those IT resources that are not separately budgeted and report the IT resources in the Enabling Function – Information Technology. This guideline insures that the total cost of functionality (in this case, “IT”) is captured even if the expenditures occur across multiple units.

For example, a staff member who spends 20% of his/her time as an IT LAN technician or administrator would have 20% of their personnel cost allocated to the Enabling Function of Information Technology under the sub-function of “Client support including training & applications support.”

Costs related to acquisition of IT hardware and operation and maintenance of central data centers (including “machine rooms”) should be reported in the enabling function “Academic / administrative applications including web management activities.”

*Temporary Wages / Contract Employees*

Temporary employee wages, special employee personnel payments, and contracted services are to be reported in the column labeled “All Other Expenses.”

*Graduate Teaching Assistants and Graduate Research Assistants*

Graduate teaching and research assistants may be reported in the appropriate core function. Attribution of FTEs for these graduate students may be made in accordance with institutional practices.

*Material Re-direction of Resources after the June 30, 2005 Fiscal Year*

In some instances, an enabling function may have incurred a major and / or material reorganization or re-direction of resources after the June 30, 2005 reporting period. For instance, enabling function of Information Technology could have significant reallocation of FTE and funds among the enabling sub-functions. The guidance in such instances is that reported FTE and expenses by function / sub-function should reflect, insofar as practicable, the expenditure of such resources during the FY2004-05 fiscal year.