

Tuition waiver/maternity leave Faculty pool: finance guidance note

For Units (Departments, Schools, Centres and Institutes)

Updated 28 Oct 2013

This guidance note provides units with information on the Faculty pool for tuition waivers and maternity-top ups. The pool covers all tuition waiver costs and maternity benefit top up costs, where not already covered by EEF (Extraordinary Expense Fund). The pool is funded by a central budget allocation, as well as by contributions from the Units to cover the projected shortfall (about \$800 thousand) against actual costs.

The pool removes the need for units to manage, monitor, or cover the cost of individual transactions. No action is required for units to transfer tuition waivers to the pool. To transfer maternity leave top-ups to the pool, the only action required is to specify the Faculty pool account in the original maternity leave paperwork for the faculty or staff member. The pool therefore reduces the manual effort previously required for units to manage these costs, as well as smoothing the costs to a predictable average for each unit each year.

Funding the pool

At the beginning of the fiscal year, Units will contribute to the Faculty pool that covers the cost of tuition waiver and maternity leave top-up expenses. Contributions will be transferred from the units' operating funds either in the form of budget transfers or journal transfers (for accounts that may not allow budget transfers). Each unit's contribution has been determined by prorating the total Faculty cost against the unit's share of annualized salary expenses for the year, see table below. Surpluses in the Faculty pool at the end of the fiscal year will be carried forward to the following year; should there be a deficit, it will also be carried forward and recovered from the units through their contributions to the pool the following fiscal year.

What to expect in the ledgers

Tuition waivers will continue to be reflected in the PGs where faculty/staff are appointed. However, a month-end system-generated automatic reversal will transfer these expenses from the PGs to the Faculty pool account monthly. No action is required from the Unit.

In order to charge maternity leave top ups to the pool, Units should complete the Leave of Absence Form and under the "Funding Details – For Partial Leaves" section, provide the start and end dates of the leave, the POSN#, the chartfield information **200101/G0000/20G12524** as the PG to charge the mat leave costs, on behalf of faculty or staff going on maternity leave. Earnings Code can be left blank for Payroll to complete. This will ensure the top-up is charged to the appropriate Faculty pool account. If ePAF is used, use the "comment" section to indicate the funding details of the mat leave.

Monitoring

Monitoring by units is not required as the process should be sufficiently automated. Units wishing to determine actual costs of tuition waivers incurred by their units can run a query (Faculty_Tuition_Waiver) available on the FMS Portal. As the automatic transfers are done once a month, Units are advised to run the queries after the close of a particular month to ensure expenses are completely captured.

In any given month or year, actual costs will vary from the annualized charge, and may be higher or lower depending on the actions of faculty and staff in your unit. Over the course of a few years, on average the accumulated actual costs should be about the same as the costs incurred through the pool.

Background information can be found in the paper: ***Tuition waivers and maternity leave costs: budgeting for 2013/14*** and in the INFORMATION NOTE – Tuition waiver/maternity leave benefit pool of October 21, 2013.