College of Science & Engineering Financial Practices
(updated July 2016)

O&M Allocations
The Dean’s Office makes annual O&M allocations to academic departments and some centers. Allocations are communicated in the spring prior to the next fiscal year, and units receiving an allocation must budget O&M revenue equal to the allocation in the EFS budget module. Unspent O&M allocations are retained by units as carryforward balances.

Standard annual adjustments to allocations include:

- Changes in fringe rates on hard funded salaries
- Raises (at the University’s average rate) on hard funded salaries
- New and returned faculty lines
- Faculty promotions

In addition, budgetary situations and other circumstances may result in additional adjustments to the base either up or down.

Raises for department heads and other individuals who report to the Dean are withheld from the raise pool and built into the allocations after the Dean sets their salaries for the next fiscal year. Due to timing, often these are handled post-budget and are therefore transferred as commitments in the next fiscal year. They are then hardened into the allocation the following fiscal year.

The cycle of the allocations is as follows:

- By January prior to the next fiscal year, the Dean’s Office will update the current fiscal year’s itemized budget allocation to include post-budget allocation changes. The Dean’s Office will send the itemized budget to the department for review. This itemized budget, once agreed upon, becomes the document to be used in the budget meetings between the Dean’s Office and the departments.

- In May (usually) prior to the next fiscal year, the Dean’s Office will send out allocations for the next fiscal year to departments. Department allocations are in the form of the itemized budgets, and they are updated to include the standard annual adjustments described above as well as other adjustments to the base (if any).