# Calculation of E&G Salary Increase Allocations

**IMPORTANT NOTES**

- Increase allocations are calculated individually by position
  - *Increase allocations are not calculated by total salary budget in an E&G index

**INCREASE SHORTAGES**

- Allocation shortages occur because ongoing budget adjustments are not done for changes that happen after initial budget
  - *Types of changes: salary increases and FTE adjustments

**CALCULATION**

Budgeted Ongoing E&G Budget
+ Ongoing E&G Budget Adjustments
= Adjusted E&G Ongoing Budget
÷ Current Annual Salary
= % of E&G

Current Annual Salary
x Increase %
= Increase $

Increase $
x % of E&G
= E&G allocated for increase

**SHORTAGE EXAMPLE**

- Position budgeted at 100% E&G with an annual salary of $20,000
- Employee receives mid-year increase of $5,000
- No ongoing budget transfer is done for the increase

| | |
|---|---|
| Budgeted Ongoing E&G Budget | $20,000 |
| + Ongoing E&G Budget Adjustments | $0 |
| = Adjusted E&G Ongoing Budget | $20,000 |
| ÷ Current Annual Salary | $25,000 |
| = % of E&G | 80% |
| | |
| Current Annual Salary | $25,000 |
| x Increase % | 1% |
| = Increase $ | $250 |
| | |
| Increase $ | $250 |
| x % of E&G | 80% |
| = E&G allocated for increase | $200 |
| | |
| E&G Shortage | $50 |