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Budget Merit Increase

Settings > Budgeting > Formats

When setting up budget formats, you may want to include columns to calculate a merit increase, especially for payroll budgeting. The budget format has a setting for entering annual or monthly component details. Double-click to edit a format, then click the Settings button.

Annual Budget Format

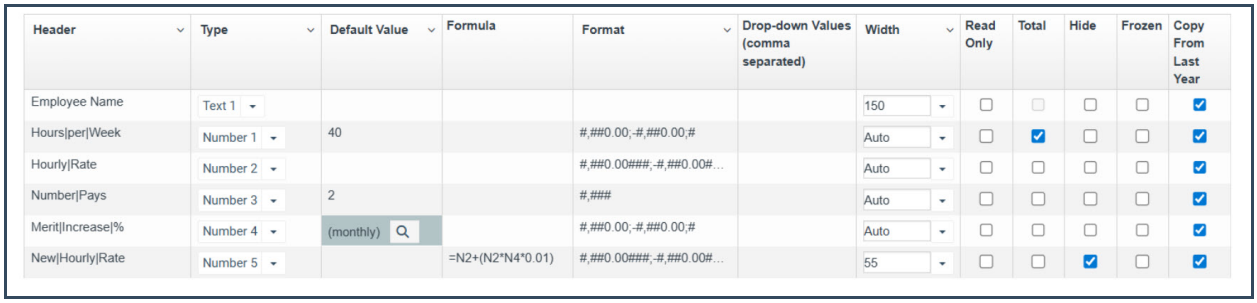
If the format is set to enter components **Annually**, add a row defined for merit increase on the Format setup. Set the Type to Checkbox 1 (or any other available checkbox number).

- At the top of the **Edit Budget Format** screen, click on the **Settings** button. Check the box **Include Merit Increase** and click on **Settings**, where you will define the merit increase.
  - **Percent increase:** The percent that you wish to increase by. This will be applied to each month starting with the effective month. (Example: enter 2% as 2.00.
  - **Checkbox column:** This is the Checkbox number assigned to the merit increase row on the previous screen under **Type**.
  - **Effective month:** Determines what month to begin applying the merit increase.
  - **Percent of effective month:** Determines the percentage of the increase to apply to the effective month. Typically, this is 100%. If this were a payroll account, distributing by pay period, and there are two pays in the effective month, and you want to apply the percent increase starting with the second pay of the effective month, then you would enter 50% (50.00).
  - **Allow override:** Determines if a user can override the defaulted merit percentage during budget entry.
  - Click **OK** on each screen and **Save** when finished.
- The Budget Format must have the Apply Merit Increase box checked (on the far right side of the screen) on the appropriate row so the system knows which column to use to calculate the new salary amount.

Monthly Budget Format

If the format is set to enter components **Monthly**, the merit increase is defined on the Edit Budget Format screen.

- Add a row for Merit Increase and assign a Number data slot under **Type**. The data slot number must be unique on this screen.
    - To set the rate for the merit increase, click the Dft Value cell on the merit increase row. Click on the Search icon. Check the Separate values per month box to enter the percentage rate for the merit increase in the appropriate effective month/s. (Example: enter **2.5 on the row for March** for a 2-1/2% increase in March.) Click **OK** when finished.
    - The Read Only box on the Merit Increase row determines if a user can override the defaulted merit percent settings during budget entry.
- If you want an option during budget entry to apply the merit increase to an employee or not, add a row on the Budget Format to enter a 1=Yes; 0=No.
- It is common to have columns on the budget entry screen for Hourly Rate, Merit Increase%, Apply Merit Y/N, and the new hourly rate. Any columns may be hidden as you wish. Here is one example:



Header	Type	Default Value	Formula	Format	Drop-down Values (comma separated)	Width	Read Only	Total	Hide	Frozen	Copy From Last Year
Employee Name	Text 1					150	☐	☐	☐	☐	☑
Hours|per|Week	Number 1	40		#,##0.00;-#,##0.00;#		Auto	☐	☑	☐	☐	☑
Hourly|Rate	Number 2			#,##0.00###;-#,##0.00#...		Auto	☐	☐	☐	☐	☑
Number|Pays	Number 3	2		#,###		Auto	☐	☐	☐	☐	☑
Merit|Increase|%	Number 4	(monthly)		#,##0.00;-#,##0.00;#		Auto	☐	☐	☐	☐	☑
New|Hourly|Rate	Number 5		=N2+(N2*N4*0.01)	#,##0.00###;-#,##0.00#...		55	☐	☐	☑	☐	☑

Important: If a salary rate increase has been calculated using a merit increase and is saved on the budget entry screen, the new pay rate has been saved. Later, if it is decided to change the merit percentage, there is no way to change the merit percentage globally after budgets are entered. Changes to employee rate or merit % must be manually re-entered after a GL account's budget has been saved so the new rate is recalculated.

For more details on merit increase and suggestions on how to change the merit increase after components have been entered, see Budget Formats.