Module 1: Introduction and Key Concepts
Introduction | Course Objectives

After completing this course, you will understand the following:

• What a Payroll Accounting Adjustment is and why you would create one
• How to Create a Payroll Accounting Adjustment in Workday
• How to run reports related to Payroll Accounting Adjustments
• How to Request a Payroll Accounting Adjustment for Oneself
• How to Create a Historical Payroll Accounting Adjustment
<table>
<thead>
<tr>
<th>Workday Term</th>
<th>Definition</th>
<th>Legacy Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Costing Allocation</td>
<td>The process of identifying and assigning payroll-related costs to specific FDM values and worktags. The three types of costing allocation are: • Position Restriction • Worker Position Earning • Worker Position</td>
<td>Labor Distribution (LD)</td>
</tr>
<tr>
<td>Position ID</td>
<td>The ID given in Workday for an employee's Position which begins with the letter P and is 6 digits in length (P123456).</td>
<td>Assignment Number</td>
</tr>
<tr>
<td>Pay Component</td>
<td>The Workday term for earnings and deductions that are used in calculating an employee's gross-to-net pay.</td>
<td>Element (for costing purposes)</td>
</tr>
<tr>
<td>Payroll Obligations</td>
<td>Obligations are journals created to earmark funds for salary expenses in future fiscal periods. Workday Payroll Obligations are for filled position.</td>
<td>Payroll Commitment</td>
</tr>
<tr>
<td>Costing Company</td>
<td>The ability to charge expenses that originate in one company to another company, also known as Intercompany Accounting.</td>
<td>N/A</td>
</tr>
</tbody>
</table>
Introduction | Payroll Accounting Adjustment

Key Role

You must be a Payroll Accounting Adjustment Specialist to process Payroll Accounting Adjustments (PAAs) in Workday.

What is a Payroll Accounting Adjustment?

A Payroll Accounting Adjustment is the process in Workday that allows you to correct payroll journal entries after payroll has been completed.

It allows Payroll Accounting Adjustment Specialists to make a net-zero adjustment by adjusting costing worktags or other FDM worktags.
Introduction | Payroll Accounting Adjustment

**Reviews/Approvals**

Multiple *reviews/approvals* have been built in the *Create Payroll Accounting Adjustment* business process.

**Change Reason**

The PAA task *requires* you to enter a Change Reason for *any* adjustment.

**Adjustment Period**

PAAs in Workday are always based on the pay period(s). Adjusting for part of a pay period will require you to calculate a proration and edit the Budget Date accordingly.

**Historical PAAs**

The Workday Payroll Accounting Adjustment process cannot be used for pay periods that originally posted in Oracle. This will require a workaround that uses a Journal Entry in Workday and a process of gathering information and documentation.
Introduction | Payroll Costing Overall Process

- **Payroll Processes**
  - Journal Lines are created in the General Ledger

- **Costing Allocation is in place**

- **Payroll Accounting Adjustment Created**
  - Workday creates reversal and new journals, as applicable
  - Payroll Accounting Adjustment Specialist is alerted to the fact that they need to create a Payroll Accounting Adjustment

- **Payroll Costing Specialists may need to update Costing Allocations**
Position Restriction Costing Allocation

- Should be in place for each position in Workday

Worker Position or Worker Position Earning

- Assigned by Payroll Costing Specialist or Payroll Costing Managers
Introduction | Payroll Costing Overall Process

Costing Allocation is in place

No Costing Allocation:

- Payroll charges hit default worktags

** Worker still gets paid **
A costing allocation **was not established**, so the pay was allocated to the Position Restriction costing allocation (aka “Suspense”) or default worktags.

A costing allocation **was entered incorrectly**, so the pay was allocated to the wrong set of worktags or the wrong distribution percentage.

Incorrect effort spent on a grant.

Incorrect amounts allocated:
- Budget change
- Clearing deficit off grant
In all of these examples, Payroll has already run.

If Payroll has not run, you would not create a Payroll Accounting Adjustment.

Instead, a Payroll Costing Specialist or Payroll Costing Manager would modify the costing allocation.
Payroll Accounting Adjustment | Process Overview

Below is the high-level process flow to create a PAA for a worker:

1. **Initiate Create Payroll Accounting Adjustment Task**
   - Initiator will start the “Create Payroll Accounting Adjustment” task in Workday.

2. **Adjust Payroll Accounting**
   - Initiator will adjust the payroll accounting details, as required.

3. **Submit Payroll Accounting Adjustment**
   - Initiator will submit the task.

4. **Routes for Approval**
   - Once the task is submitted, it will route for approval based on pre-defined conditions.

**Approval Roles**
- Payroll Accounting Adjustment Specialist
- Payroll Accounting Adjustment Specialist
- Payroll Accounting Adjustment Specialist
- Approval Roles
Payroll Accounting Adjustment | Approvals Routing

When a **Payroll Accounting Adjustment Specialist** submits a PAA and a **Grant (Non-FWS)** is included in the *proposed adjustment lines*, there are various routing rules in place, depending on other transaction details:

- **< 90 days** before the “budget item date”
  - **Grants Compliance Reviewer Approves**

- **≥ 90 days** after the “budget item date” and the **Reason Code is not** one of the following:
  - Adjustment moving salaries off a sponsored grant
  - Or
  - Adjustment of salary/wage to different grant under same award

  - **Payroll Accounting Adjustment Specialist** completes Questionnaire
    - **Grant Manager Approves**
    - **Principal Investigator Approves**
    - **Grants Compliance Reviewer Approves**

*Other worktags may determine additional routing*
When a Payroll Accounting Adjustment Specialist submits a PAA and a Federal Work Study Grant is involved, it will route as follows:

- **Federal Work Study Specialist Approves**
- **Split with non-FWS Grant in the proposed adjustment lines**
- **<90 days after the “budget item date”**
  - **Federal Work Study Specialist Approves**
  - **Federal Work Study Specialist Approves**
  - **Grants Compliance Reviewer Approves**
  - **Payroll Accounting Adjustment Specialist completes Questionnaire**
  - **Federal Work Study Specialist Approves**
  - **Grant Managers Approve**
  - **Principal Investigators Approve**
  - **Grants Compliance Reviewer Approves**

Other worktags may determine additional routing.

Approval Roles:
- Federal Work Study Specialist
- Grant Manager
- Principal Investigator
- Grants Compliance Reviewer
When a **Payroll Accounting Adjustment Specialist** submits a PAA and non-sponsored funds are in the proposed adjustment lines, it will route as follows:

- **Non-allocated Gift**
  - Unit Gift Manager Approves
- **Project**
  - Project Budget Specialist Approves
- **Cost Center Manager Approves**

Other worktags may determine additional routing.
Budget Dates –

- A budget date in workday is the day an expense was incurred.
- While proposing new adjustments, you need to select budget dates for the pay components.
- Make sure that the proposed budget dates match the budget dates in the **Current Journal Lines** unless there is a special business requirement for them to be changed.

Partial Pay Period Adjustment –

- PAAs are always based on the pay period(s). You cannot select a custom date range for the adjustment.
- When you adjust a payroll accounting for a partial pay period, you need to prorate accordingly and edit the **Budget Date**.
  
  **Example:** You need to move a portion of payroll expenses onto a Grant within its Period of Performance.
- Calculate the daily amount of pay using the 5 day work week, not the 7 day week.
- Include a comment to explain why a Budget Date has been changed.
<table>
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<tr>
<th>Workday Term</th>
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</tr>
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<tbody>
<tr>
<td>Award Line</td>
<td>This part of an award contains important information particular to that line such as start and end dates, funding amount, etc. Each award line has worktags such as Cost Center, Program, Project, etc.</td>
<td>Represents installment line for project funding</td>
</tr>
<tr>
<td>Grant</td>
<td>A driver worktag within the award line that auto-populates other worktags (i.e., cost center, program, project, assignee, and fund) associated with the award line.</td>
<td>Project</td>
</tr>
<tr>
<td>Award Line Lifecycle Status</td>
<td>The status of an award or an award line (active, closed, on-hold, etc.). It is used in business process definitions and workflow routing.</td>
<td>Award Status (Active, At Risk, On Hold, Closed)</td>
</tr>
<tr>
<td>Award Line Dates</td>
<td>These dates identify the period of performance for a particular Grant worktag. Budget Dates of Grant Expenditures must be between the Award Line dates.</td>
<td>Project start and end dates</td>
</tr>
<tr>
<td>Salary Over the Cap</td>
<td>When an award is set up with a salary cap, and the worker's salary is higher than the salary cap, that salary is referred to as salary over the cap.</td>
<td>N/A</td>
</tr>
</tbody>
</table>
The following are **key considerations** for **Salary Cap** and **Cost Share Grants** when creating a payroll accounting adjustment:

<table>
<thead>
<tr>
<th>NIH SALARY CAP</th>
</tr>
</thead>
<tbody>
<tr>
<td>If a PAA involves a grant subject to the <strong>NIH Salary Cap</strong>, you may need to create additional lines to allocate salary over the cap to non-sponsored funds. Each NIH funded grant will be set up with allowable worktags for this purpose.</td>
</tr>
<tr>
<td>• Determine if the Salary Cap <strong>applies to the individual</strong> by verifying the <strong>Employee’s Institutional Base Salary</strong> (including UPG, if applicable) and selecting the hyperlinked “<strong>Calculator Tool</strong>” at the top of the Create Payroll Accounting Adjustment screen to calculate the <strong>salary over the cap</strong> and <strong>percentage/dollar</strong> amount split. <strong>Please Note:</strong> This opens an Excel document.</td>
</tr>
<tr>
<td>• If needed, <strong>split the allocation</strong> as follows:</td>
</tr>
<tr>
<td>− One allocation line for the <strong>salary</strong> that can be charged to the <strong>NIH Grant</strong> (based on the NIH Salary Cap for the year) in which you would select the NIH Grant Worktag.</td>
</tr>
<tr>
<td>− One (or more) allocation line(s) for the <strong>salary over the cap amount</strong> in which you would select the <strong>NIH Grant Worktag</strong> and <strong>allowable worktags</strong> to identify non-sponsored fund source (i.e., Gift or Designated). Ensure the non-sponsored Fund is used for this allocation line.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>$ COST SHARE GRANT</th>
</tr>
</thead>
<tbody>
<tr>
<td>If a <strong>cost share grant</strong> is selected, a set of default worktags will <strong>auto-populate</strong>. However, there may be <strong>alternative allowable worktags</strong> that can be selected (as previously established during the Award Setup process).</td>
</tr>
<tr>
<td>• Reference the <strong>allowable worktags</strong> (use Workday Report “INT RPT Allowed Worktags,” if required) and <strong>add</strong> accordingly.</td>
</tr>
</tbody>
</table>
If your Payroll Accounting Adjustment involves a grant in the proposed adjustment lines and is 90 days or more after the Budget Item Date, you will be required to submit a Questionnaire before your Payroll Accounting Adjustment will completed.

The exception is the Change Reason is “Adjustment moving salaries off a sponsored grant” or “Adjustment of salary/wage to different Grant under same Award.”
Module 2: Creating a Payroll Accounting Adjustment
Optional Parameters Section –

To adjust by percent or by multiple pay periods, you must fill out the optional parameters section and the adjacent table.

This allows Workday to generate the proposed journal lines on the next screen.

• **Adjusting across multiple pay periods**: If you bypass this section, you will have to manually enter costing for every pay period selected, one at a time, and there is no ability to copy across pay periods.

• **Adjusting by percent splits**: If you bypass this section, you will only be able to split by dollar amount.

If adjusting by dollar amount, it is still **highly recommended** to complete the optional parameters section.

• **Adjusting by dollar amounts**: *Estimate* the percent on the optional parameters table. You will have the opportunity to modify the dollar amount in the following section.
Module 3: Requesting Payroll Accounting Adjustment for Oneself
When would you request a payroll accounting adjustment for oneself?

• As a Payroll Accounting Adjustment Specialist, Workday does not allow you to adjust payroll accounting/results for yourself. This is primarily to avoid any conflict of interest.

• Workday utilizes a request process to send the Payroll Accounting Adjustment information to Central Finance to key in the PAA.
Below is the high-level process flow to request payroll accounting adjustment for oneself:

1. **Initiate Request**
   - Initiator will start the "Create Request" task in Workday.

2. **Populate the Request Form**
   - Initiator will populate the request form with the required information.

3. **Submit the Request Form**
   - Initiator will submit the request form.

4. **Routes to Central Finance Team**
   - Central Finance team will review and approve the request. Subsequently, they will create a payroll accounting adjustment for the initiator.

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- Payroll Accounting Adjustment Specialist
- Payroll Accounting Adjustment Specialist
- Payroll Accounting Adjustment Specialist
- Central Finance Team
Module 4: Reports for Payroll Accounting Adjustment
Below is a list of key reports related to PAA that you can run in Workday.

<table>
<thead>
<tr>
<th>Workday Report</th>
<th>Purpose</th>
<th>Similar to UBI...</th>
</tr>
</thead>
<tbody>
<tr>
<td>Payroll Accounting Adjustments Journal Lines</td>
<td>This report returns the journal lines created as a result of payroll accounting adjustments. It can be used to validate the payroll accounting adjustment entry that was made.</td>
<td>LD Pay, ADJ &amp; Suspense</td>
</tr>
<tr>
<td>Payroll Accounting Adjustments with Manual Budget Date Change</td>
<td>This report pulls journal lines where the proposed budget date has been manually changed from its current budget date during the payroll accounting adjustment process.</td>
<td>LD Pay, ADJ &amp; Suspense</td>
</tr>
<tr>
<td>Payroll Obligations Composite Report</td>
<td>This report can be used for analyzing Payroll and Fringe Obligations. It will also provide related F&amp;A Obligations (when applicable).</td>
<td>GA Analysis Commits</td>
</tr>
</tbody>
</table>
Below are the key report functionalities in Workday:

**Sort** - Sorting is a process of arranging data in a meaningful order (i.e., in Ascending or Descending order) to analyze information more effectively.

**Filter** - Filters can be used to narrow down data and view only required information in the report.

**Prompt** - Prompt is the filter criteria that displays when you run a report. It allows you to choose the filter criteria by which you would like to narrow down the information.

**Charts** - Charts icon can be used to convert a data from a table format to a chart format or vice-versa. You can reset the data displayed as per your requirements.

**Download/Print** - Download a report in a PDF or an Excel format. Once you export a report in a PDF, you can print it easily using the print command.

**Reset** - Use the Reset icon to customize your charts. The options will vary depending on the type of data and the type of chart. You can also use the Reset icon to reset the prompt settings of the report.
• **Report Notification** – When your report includes a huge volume of data, it might take a while for Workday to generate the report.

  - You will see a **pop-up notification** asking you if you would like to be notified when the report is ready for you to view or if you would prefer to stay on the page and wait for the report results.

  - You can choose the **Notify me Later** option and continue with other work. Once the report is ready, you will receive a notification in Workday to view the report.
Module 5: Creating a Historical Payroll Accounting Adjustment
What is a Historical Payroll Accounting Adjustment (PAA)?

- The Historical PAA process allows you to adjust payroll costing for these pay period that originally posted in Oracle Labor Distribution.

How do you create a Historical PAA?

- To perform a Historical PAA, you need to gather the appropriate documentation and create a journal using the Create Journal task in Workday.

If you are creating a historical Payroll Accounting Adjustment for employees in the Medical Center or University Physicians Group, you will still utilize the Request form that you currently use for this process.
### Historical PAA | Key Terms

<table>
<thead>
<tr>
<th>Workday Word</th>
<th>Definition</th>
<th>Legacy Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting Journal</td>
<td>Accounting journals are manual journals that may be used to move funds from one account to another to correct transactions posted to the wrong account, or for other reasons such as correcting a spend category, revenue category or to record a transaction.</td>
<td>N/A</td>
</tr>
<tr>
<td>Ledger Account</td>
<td>Ledgers store university transactions from journal entries used for managerial and external reporting. In WD, there is an Actuals, Commitments, and Obligations ledger.</td>
<td>Object Code</td>
</tr>
<tr>
<td>Accounting Date</td>
<td>The GL period when the transaction was recorded in the ledger. Defaults to today’s date.</td>
<td>GL Transfer Date</td>
</tr>
<tr>
<td>Budget Date</td>
<td>The day an expense was incurred, referring to the initiating document. Budget to Actuals reporting relies on this data and it is also used to evaluate a grant’s period of performance. For historical PAAs, use the Oracle Expenditure Item date (or Pay Period End Date)</td>
<td>Expenditure Item Date (EID)</td>
</tr>
<tr>
<td>Credit/Debit</td>
<td>Accounting terms that indicate a positive number (+) or negative number (-). For Payroll Accounting Adjustments, the Credit (+) is the pay moving OFF the FDM Workstring (think of it like you are crediting back the money) and the Debit (-) is the pay moving ONTO FDM Workstring (think of it like you are debiting the new FDM Workstring).</td>
<td>N/A</td>
</tr>
</tbody>
</table>
A **Create Journal** with a Journal Source of “Payroll Accounting Adjustment – Historical” (when not initiated by OSP), routes for approvals depending on worktags entered.

### Approval Roles
- Grant Manager
- Principal Investigator
- Cost Center Manager
- Unit Gift Manager
- Project Budget Specialist
- Payroll Costing Administrator

#### Grant worktag is used
- **Grant Manager Approves**
- **Principal Investigator Approves**
- **Grants Compliance Reviewer Approves**

#### Gift, Designated, or Project worktag is used
- **Cost Center Manager, Unit Gift Manager, Project Budget Specialist (as applicable) Approves**
- **Payroll Costing Administrator Approves**
- **Process Complete**
Initiator will gather the required documentation prior to creating the Historical PAA.

Initiator will search for “Create Journal” and select the task in Workday. Then enter the journal details and attach documentation for the Historical PAA.

Initiator will submit the Historical PAA. Once the task is submitted, it will route for approval based on pre-defined conditions.
**Historical PAA | Gather Documentation**

**Documentation:**

- **UBI GA Actuals** – Use this report to find the Expenditure Item Date that you will use in the Budget Date field of the Journal. Filter to show salary/wage expenses and expenditure item date.

**If a Grant is impacted by the PAA:**

- **Retro Cost Transfer Form** – Complete the form and obtain approvals.
- **Copy of Effort Payments** – Show corrected distribution percentages for payroll and effort percentages. Account for salary over-the-cap and cost sharing, if applicable. Ensure this is signed and dated by the Principal Investigator/Designee/Alternate Approver per Policy FIN-027: Time and Effort Certification.
- **Grant Budget vs Actuals Report** – Filter to show current receiving grant budget balance.

**Other Information:**

- **PTAO-FDM Crosswalk** – You will need to know what FDM values correspond to the PTAO values used in the original LD Schedule being adjusted.
- **Fringe Calculation** – Determine amount of Fringe based on Fiscal Year and Expenditure Type and document this calculation.
Thank you!