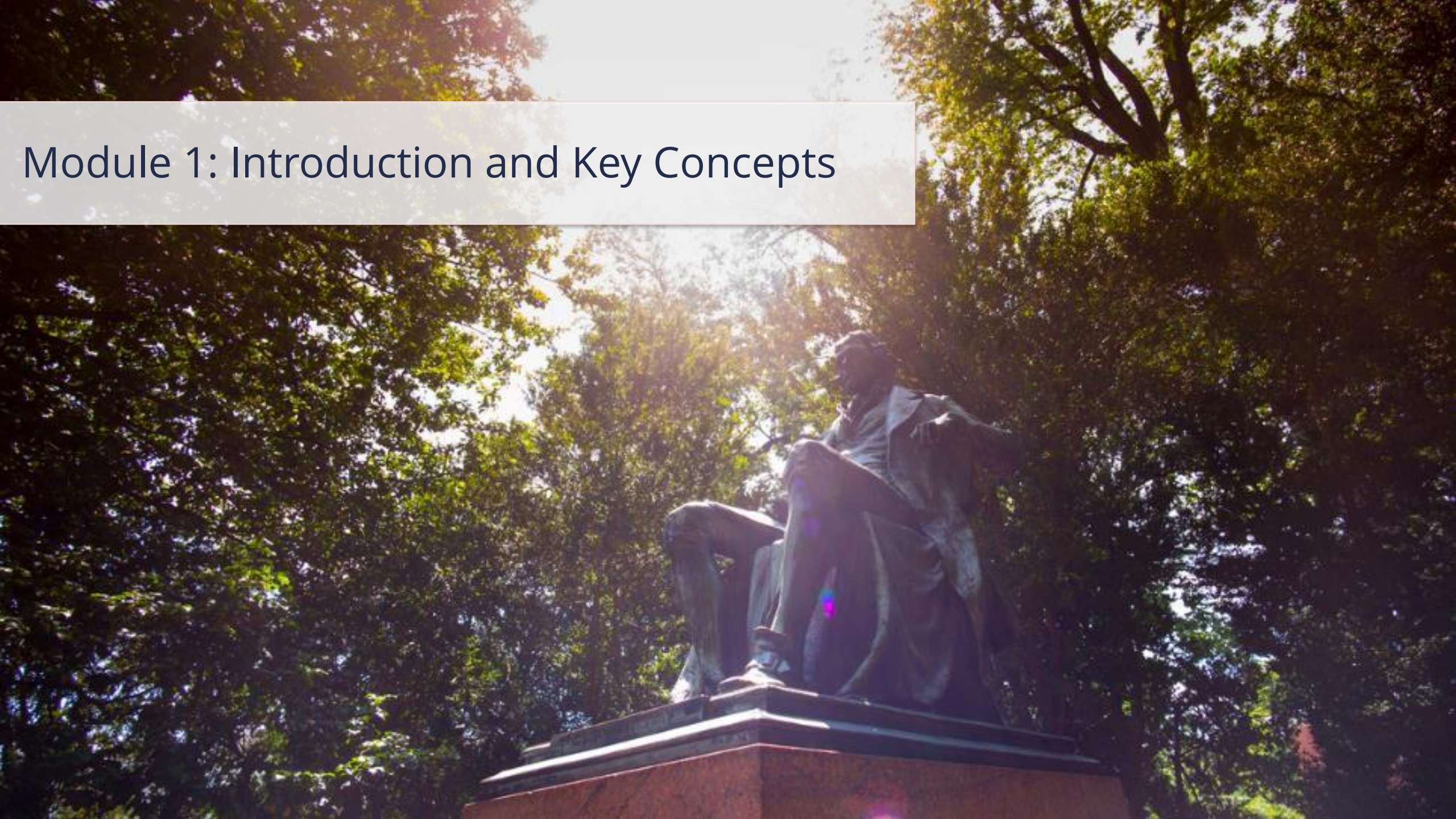




 **UVA FINANCE** Payroll Accounting – Accounting Adjustment



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



Introduction | Key Terminology

Workday Term	Definition	Legacy Term
Costing Allocation	<p>The process of identifying and assigning payroll-related costs to specific FDM values and worktags. The three types of costing allocation are:</p> <ul style="list-style-type: none">• Position Restriction• Worker Position Earning• Worker Position	Labor Distribution (LD)
Position ID	<p>The ID given in Workday for an employee's Position which begins with the letter P and is 6 digits in length (P123456).</p>	Assignment Number
Pay Component	<p>The Workday term for earnings and deductions that are used in calculating an employee's gross-to-net pay.</p>	Element (for costing purposes)
Payroll Obligations	<p>Obligations are journals created to earmark funds for salary expenses in future fiscal periods. Workday Payroll Obligations are for filled position.</p>	Payroll Commitment
Costing Company	<p>The ability to charge expenses that originate in one company to another company, also known as Intercompany Accounting.</p>	N/A

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**

**Payroll
Accounting
Adjustment
Created**

**Workday
creates
reversal and
new journals,
as applicable**

**Costing
Allocation is in
place**

**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**

Introduction | Payroll Costing Overall Process

**Costing Allocation
is in place**

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 ****

Introduction | Scenarios



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

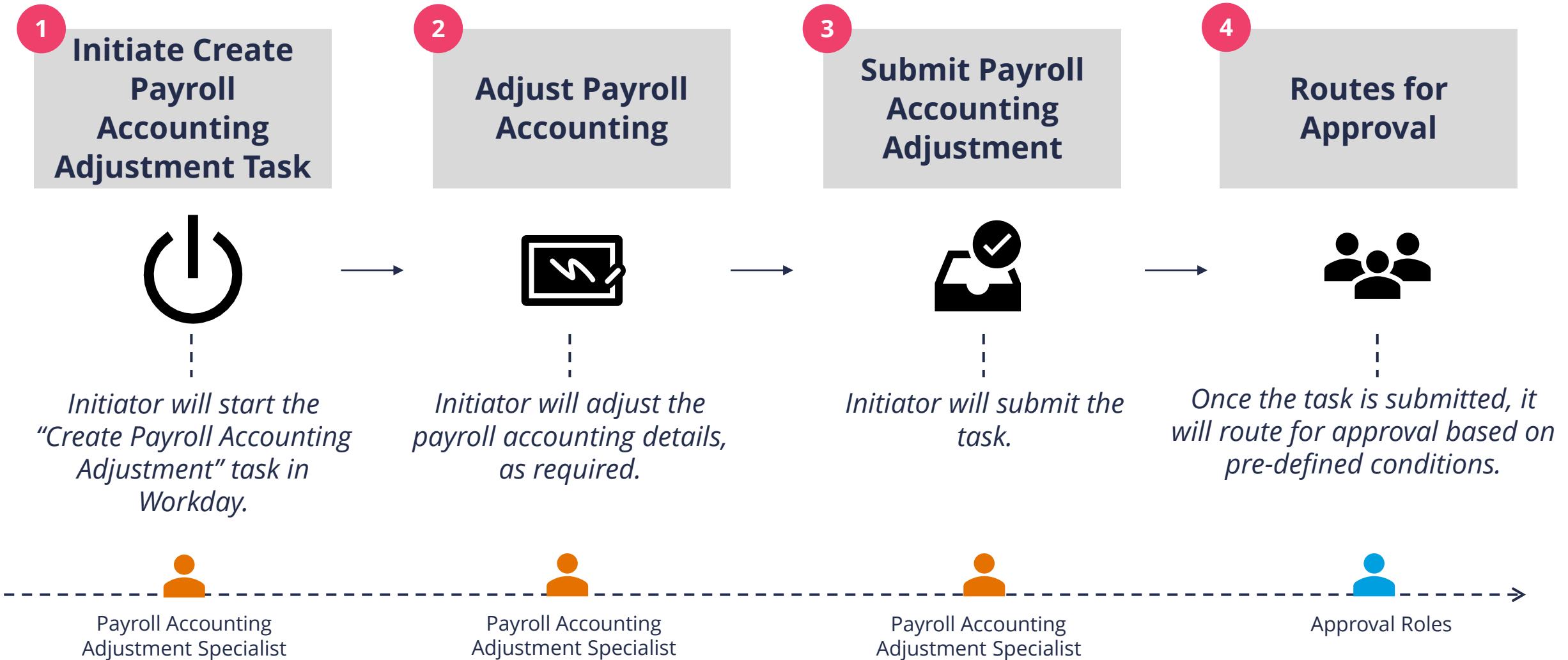
In all of these examples, Payroll has already run.

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.

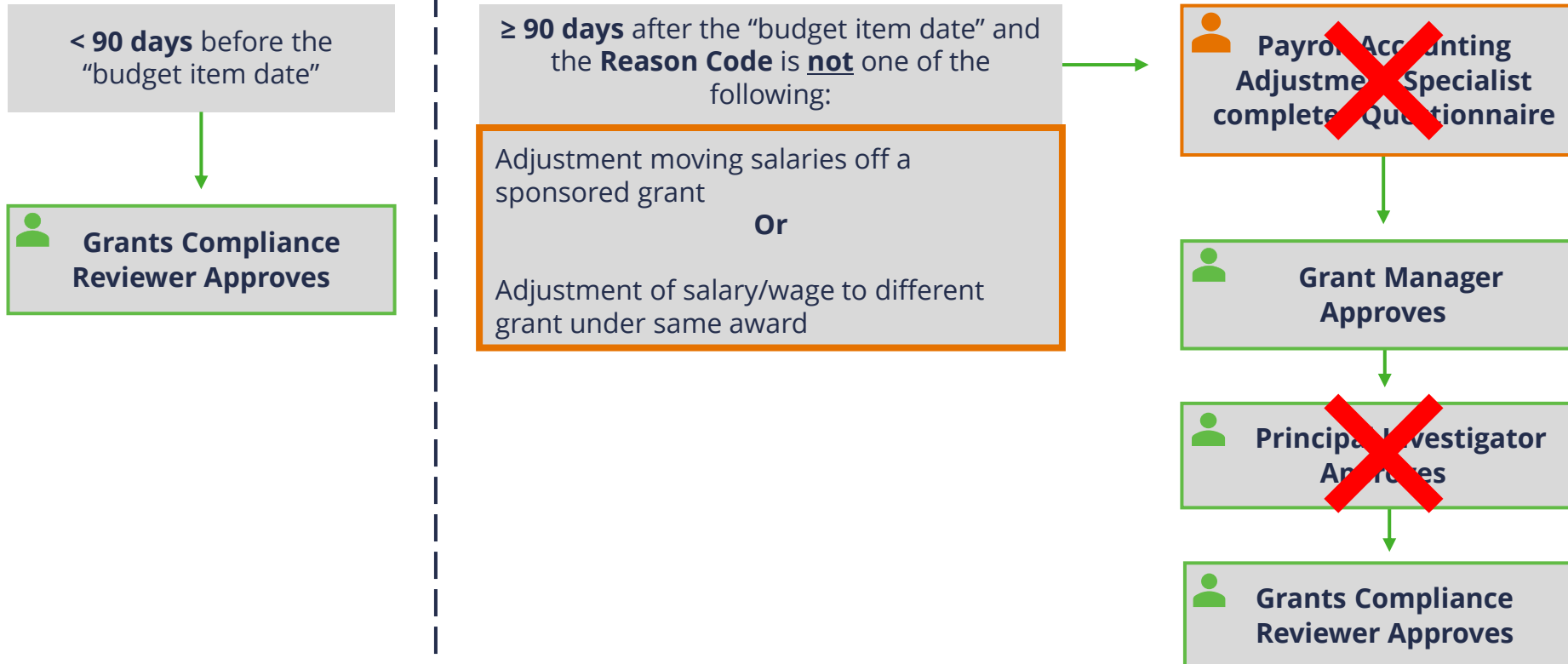
Payroll Accounting Adjustment | Process Overview

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



Payroll Accounting Adjustment | Approvals Routing

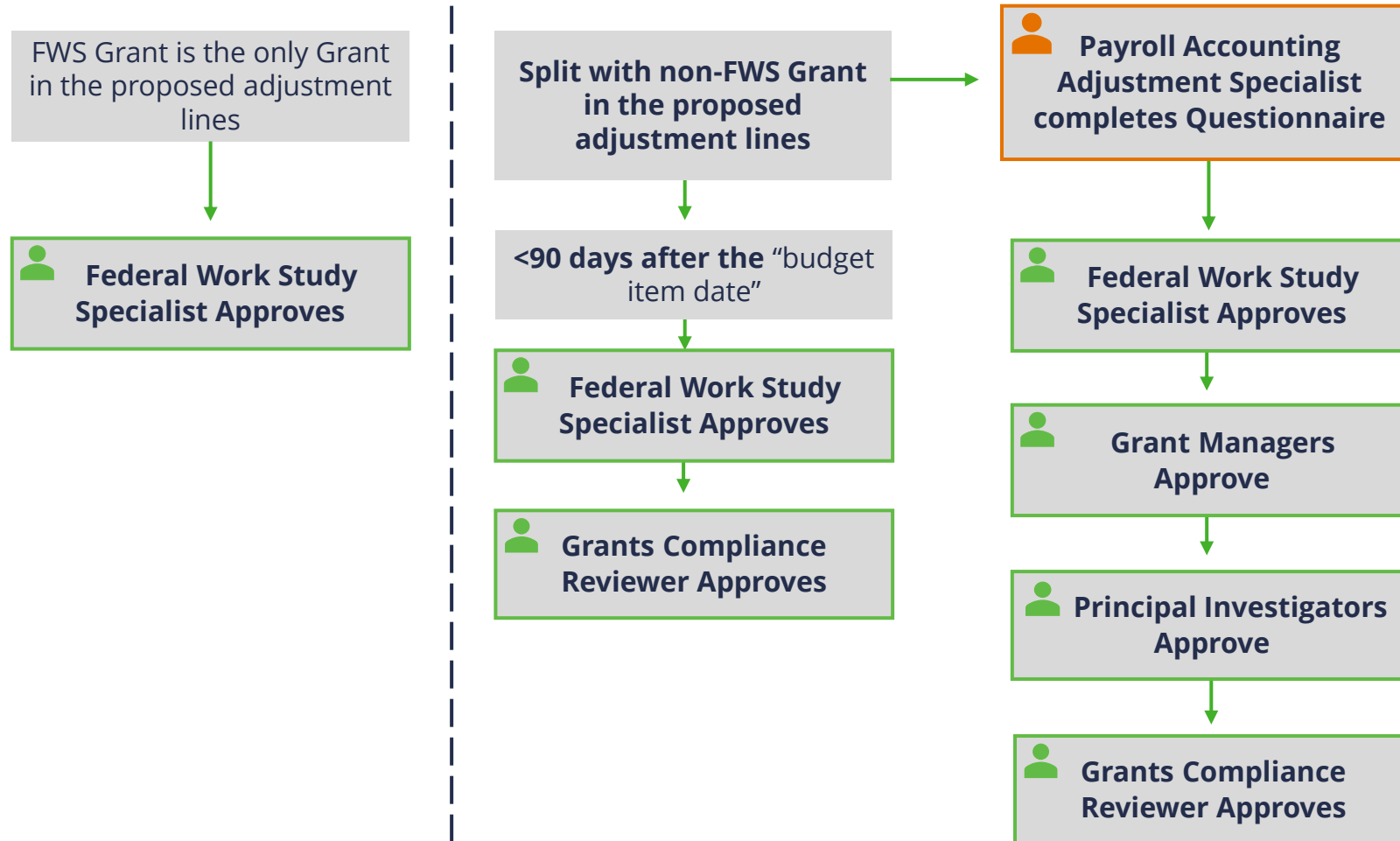
When a **Payroll Accounting Adjustment Specialist** submits a PAA and a **Grant (Non-FWS)** is included in the *proposed adjustment lines*, there are various routing rules in place, depending on other transaction details:



Approval Roles	
	Grant Manager
	Principal Investigator
	Grants Compliance Reviewer

Payroll Accounting Adjustment | Approvals Routing

When a **Payroll Accounting Adjustment Specialist** submits a PAA and a **Federal Work Study Grant** is involved, it will route as follows:



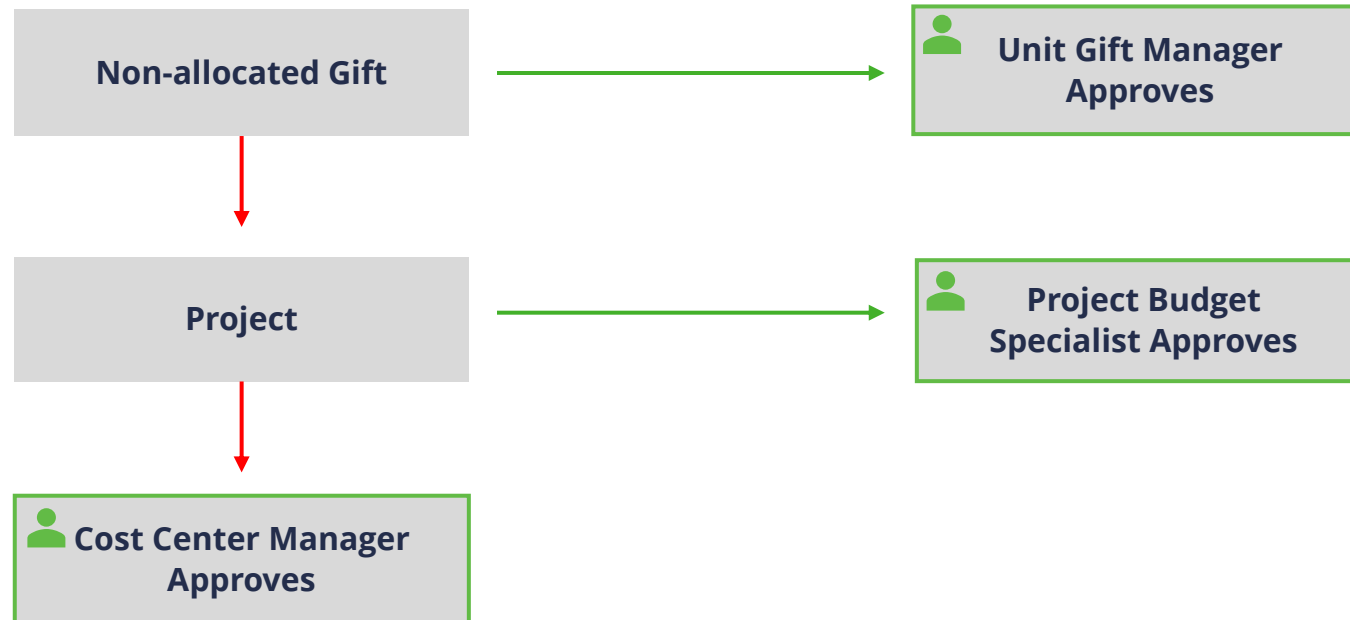
Approval Roles	
	Federal Work Study Specialist
	Grant Manager
	Principal Investigator
	Grants Compliance Reviewer

Other worktags may determine additional routing

Payroll Accounting Adjustment | Approvals Routing

When a **Payroll Accounting Adjustment Specialist** submits a PAA and non-sponsored funds are in the proposed adjustment lines, it will route as follows:

Approval Roles	
	Unit Gift Manager
	Project Budget Specialist
	Cost Center Manager



Other worktags may determine additional routing

Payroll Accounting Adjustment | Key Considerations



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.

Payroll Accounting Adjustment | Grants

Workday Term	Definition	Legacy Term
Award Line	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.	Represents installment line for project funding
Grant	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.	Project
Award Line Lifecycle Status	The status of an award or an award line (active, closed, on-hold, etc.). It is used in business process definitions and workflow routing.	Award Status (Active, At Risk, On Hold, Closed)
Award Line Dates	These dates identify the period of performance for a particular Grant worktag. Budget Dates of Grant Expenditures must be between the Award Line dates.	Project start and end dates
Salary Over the Cap	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.	N/A

Payroll Accounting Adjustment | Grants

The following are **key considerations** for **Salary Cap** and **Cost Share Grants** when creating a payroll accounting adjustment:



NIH SALARY CAP

If a PAA involves a grant subject to the **NIH Salary Cap**, 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.

- Determine if the Salary Cap **applies to the individual** by verifying the **Employee's Institutional Base Salary** (including UPG, if applicable) and selecting the hyperlinked "**Calculator Tool**" at the top of the Create Payroll Accounting Adjustment screen to calculate the **salary over the cap** and **percentage/dollar** amount split. *Please Note: This opens an Excel document.*
- If needed, **split the allocation** as follows:
 - One allocation line for the **salary** that can be charged to the **NIH Grant** (based on the NIH Salary Cap for the year) in which you would select the NIH Grant Worktag.
 - One (or more) allocation line(s) for the **salary over the cap amount** in which you would select the **NIH Grant Worktag** and **allowable worktags** to identify non-sponsored fund source (i.e., Gift or Designated). Ensure the non-sponsored Fund is used for this allocation line.



COST SHARE GRANT

If a **cost share grant** is selected, a set of default worktags will **auto-populate**. However, there may be **alternative allowable worktags** that can be selected (as previously established during the Award Setup process).

- Reference **the allowable worktags** (use Workday Report "INT RPT Allowed Worktags," if required) and **add** accordingly.

Payroll Accounting Adjustment | Grants

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 be 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



Payroll Accounting Adjustment | Getting Started



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



Request PAA for Oneself | Introduction

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.

Payroll Accounting Adjustment for Oneself

Request assistance from Central Finance to process Payroll Accounting Adjustment for your own Payroll Result(s)

Please provide the following information so that the Payroll Accounting Adjustment may be processed. If additional details are needed, someone will reach out. Thank you.

Which Pay Group is being adjusted as part of this Payroll Accounting Adjustment (PAA)? (Required)

ACD Bi-Weekly
 ACD Monthly

Why is this PAA being requested? Note: Your answer will be used to determine which Change Reason to select. (Required)

What Pay Periods need to be adjusted as part of this PAA? (Required)

What is the Position Number for this PAA? (Required)

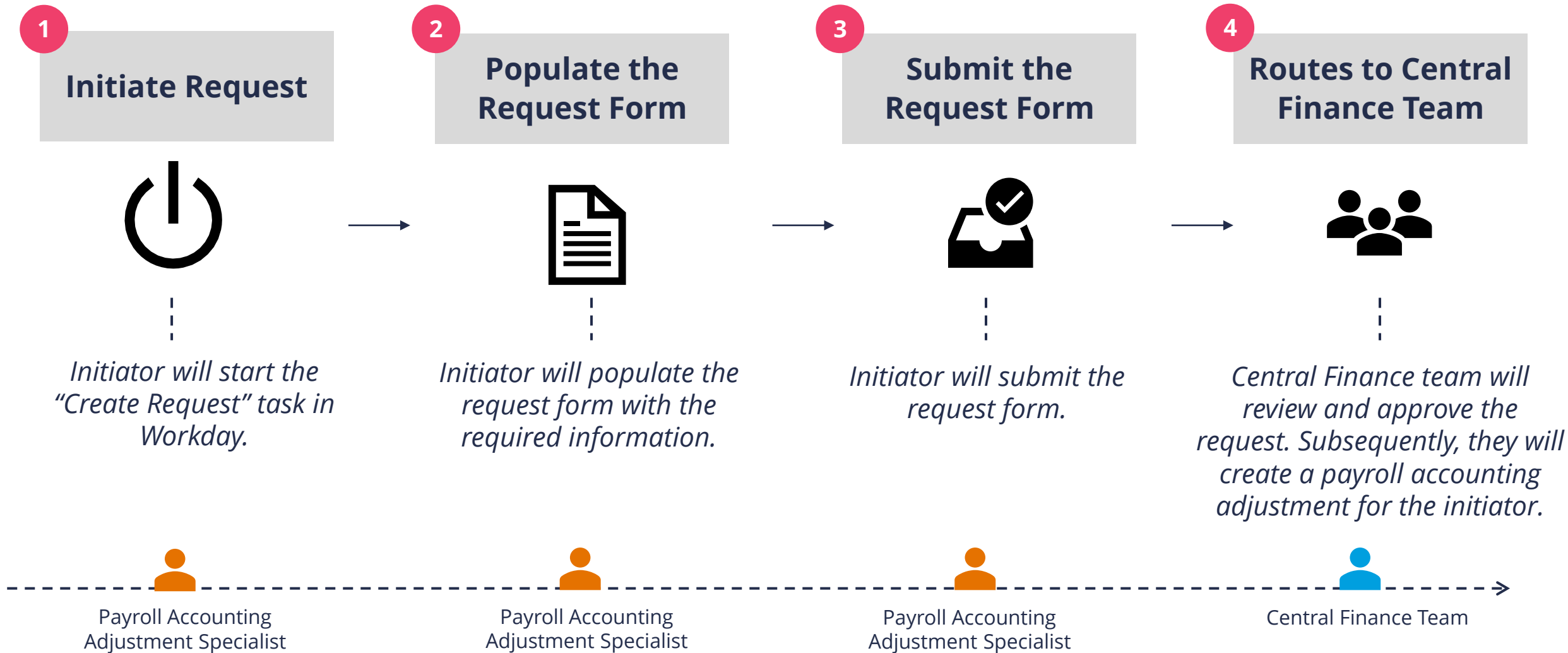
Provide PAA details such as Earnings, FDM worktags, percentages for each set of worktags, dollar amounts, etc. associated with the adjustment being requested. (Required)

Attachments

Drop files here
or

Request PAA for Oneself | Process Overview

Below is the high-level process flow to request payroll accounting adjustment for oneself:



Module 4: Reports for Payroll Accounting Adjustment



PAA Reports | Introduction

Below is a list of key reports related to PAA that you can run in Workday.

Workday Report	Purpose	Similar to UBI...
Payroll Accounting Adjustments Journal Lines	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.	LD Pay, ADJ & Suspense
Payroll Accounting Adjustments with Manual Budget Date Change	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.	LD Pay, ADJ & Suspense
Payroll Obligations Composite Report	This report can be used for analyzing Payroll and Fringe Obligations. It will also provide related F&A Obligations (when applicable).	GA Analysis Commits

PAA Reports | Report Functionalities

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.

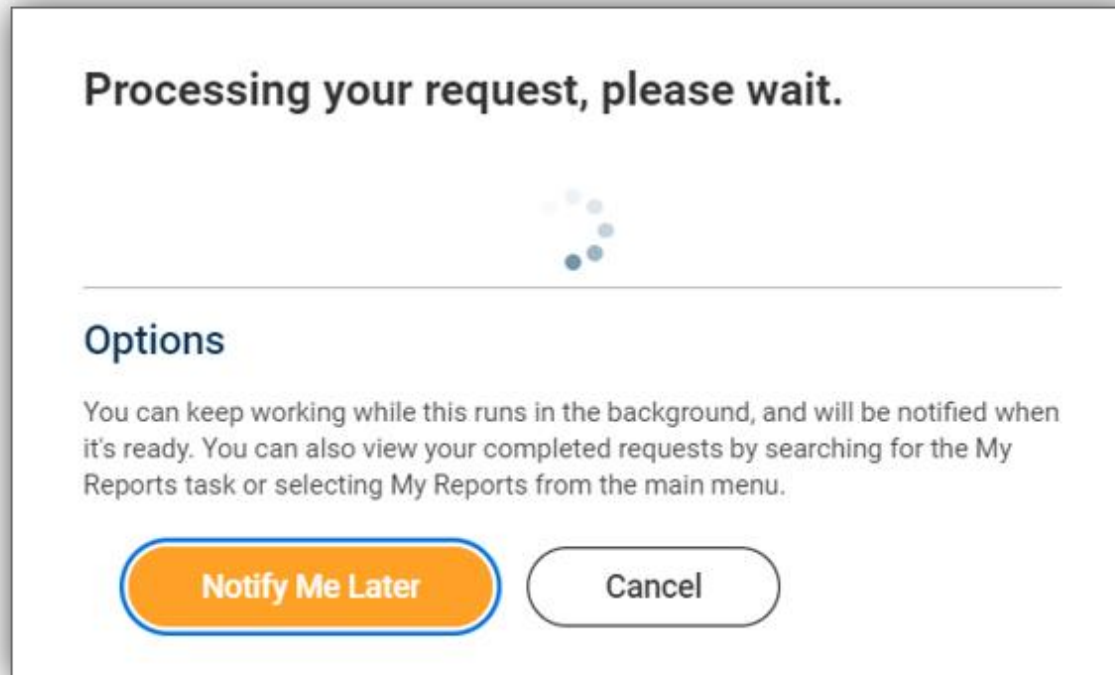


Reset - Use the Reset icon to customize your charts. The options will vary depending on the type of data and the type of chart. You can also use the Reset icon to reset the prompt settings of the report.

PAA Reports | Key Considerations



- **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



Historical PAA | Overview

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.*

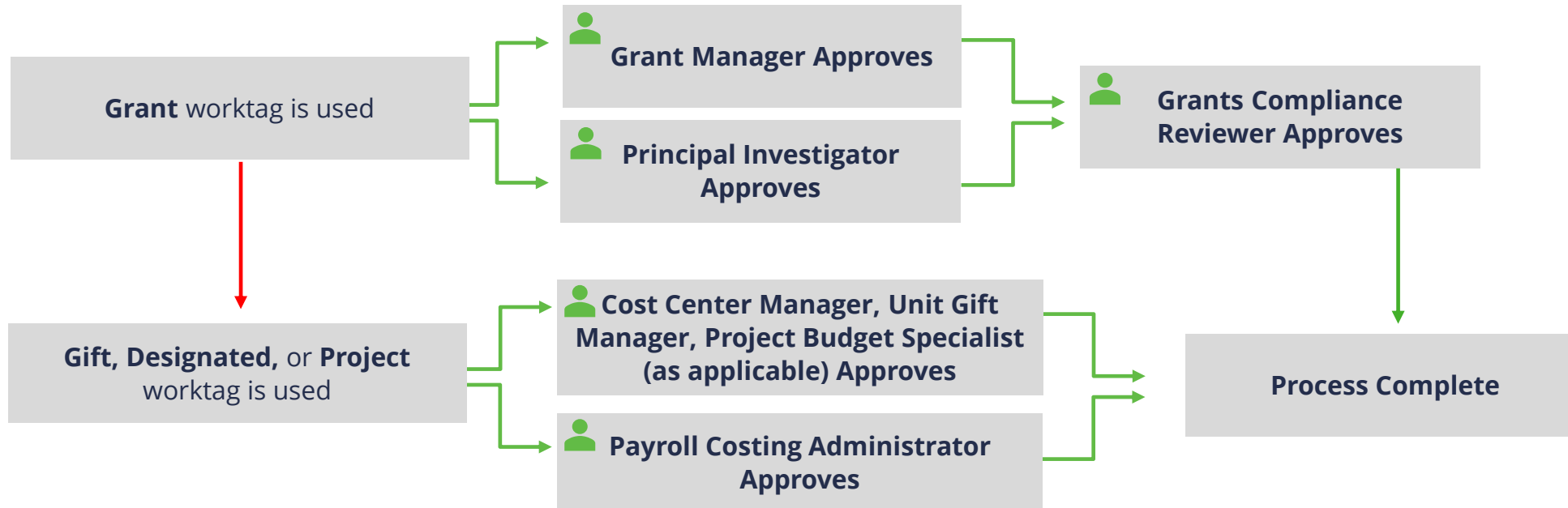
Historical PAA | Key Terms

Workday Word	Definition	Legacy Term
Accounting Journal	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.	N/A
Ledger Account	Ledgers store university transactions from journal entries used for managerial and external reporting. In WD, there is an Actuals, Commitments, and Obligations ledger.	Object Code
Accounting Date	The GL period when the transaction was recorded in the ledger. Defaults to today's date.	GL Transfer Date
Budget Date	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)	Expenditure Item Date (EID)
Credit/Debit	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).	N/A

Historical Payroll Accounting Adjustment | Approvals Routing

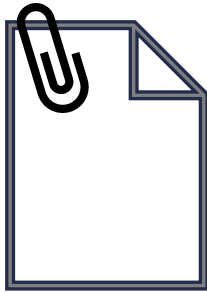
A **Create Journal** with a Journal Source of “Payroll Accounting Adjustment – Historical” (when not initiated by OSP), routes for approvals depending on worktags entered.

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



Historical PAA | What are the Key Steps?

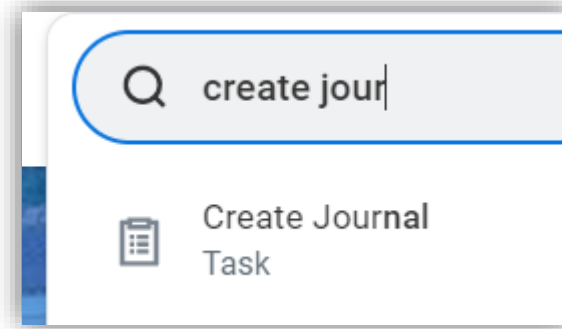
GATHER DOCUMENTATION



OVERVIEW

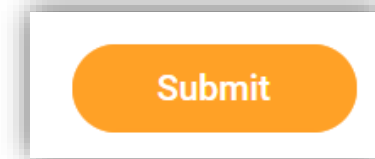
Initiator will gather the required documentation prior to creating the Historical PAA.

CREATE JOURNAL & ENTER DETAILS



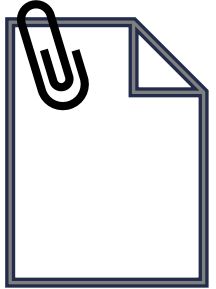
Initiator will search for "Create Journal" and select the task in Workday. Then enter the journal details and attach documentation for the Historical PAA.

VERIFY & SUBMIT JOURNAL



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.

A sepia-toned photograph of a classical building, likely a university or government structure. The building features a prominent central dome and a portico with columns. In the foreground, a large, ornate statue stands on a pedestal. The scene is set outdoors with trees and a cloudy sky. A white rectangular box is overlaid on the left side of the image, containing the text "Thank you!".

Thank you!