Create Historical Payroll Accounting Adjustment Overview

This Quick Reference Guide (QRG) is designed to walk a **Payroll Accounting Adjustment Specialist** through the steps to create a historical payroll accounting adjustment using the Create Journal business process in Workday. By the end of this QRG, users will be able to successfully document and adjust payroll costing for historical Oracle transactions (pay periods prior to 7/1/22).

NOTE	The term "Historical Payroll Accounting Adjustment" refers to any Payroll Accounting Adjustments that will impact pay periods that originally posted in Oracle Labor Distribution (pay periods prior to 7/1/22). These will need to be processed via an accounting journal instead of the Workday-delivered PAA process. If you are trying to complete a Payroll Accounting Adjustment for pay periods that have posted in Workday, you will do this using the Create Payroll Accounting Adjustment procedure in Workday.
	You cannot create Payroll Accounting Adjustments for yourself, as it is considered a conflict of interest. You will have to create a request for this to be done by a Payroll Partner in Central Finance. You also cannot create a Payroll Accounting Adjustment for a terminated or transferred employee. Likewise, you need to request a Payroll Accounting Adjustment for Medical Center or University Physicians Group employees. To create this request, refer to the following Quick Reference Guide: Request Payroll Accounting Adjustment

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Gather Documentation

1) If a Grant is impacted by the PAA, continue with this step. Otherwise, skip to **Step 2**.

    Obtain the following documentation, which will be required for all adjustments involving grants (not just those over 90 days), and <u>save to provide as attachments later</u>:
    a. Retro Cost Transfer PDF Form -
        - Under Compliance Forms, use *Retro Cost Transfer Form- PDF (Workday Version)*
    b. **Copy of Effort Reports**
        i. Show corrected distribution percentages for payroll and effort percentages accounting for salary over-the-cap and cost sharing, as applicable.
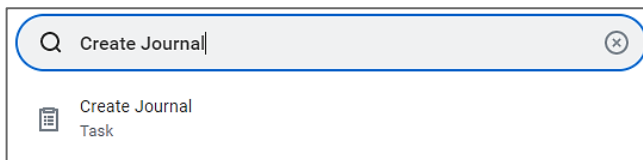
ii. Ensure this is signed and dated by the Principal Investigator/Designee/Alternate Approver per Policy FIN-027: Time and Effort Certification.

2) Obtain the appropriate report from UBI and <u>save to provide as attachments later</u>:
   a. **UBI LD Pay Adj & Suspense –** Use this report for normal pay period. Filter to show salary/wage expenses for the period being adjusted.
   - OR -
   UBI GA Actuals – Use this report for an adjustment that does not line up with a normal pay period. Filter to show salary/wage expenses and expenditure item date.

3) Crosswalk PTAOs to FDM values
   a. Use the [Crosswalk for Ledger Spend Category Revenue Category to Legacy OC Expense Type Mapping](#) to find the spend category and ledger accounts that should be used in place of the Expenditure Type.
   b. The Oracle Grant *Award, Project and Task* can be found in the Grant name in Workday. Ex. GR012082 *GA11389-160994-101*-Collaborative Research: Megaripples as biocatalytical filters

4) Determine amount of Fringe based on FY and Expenditure Type and document this calculation, saving to provide with attachments later.
   a. Use the [Expenditure Type & Fringe Rate spreadsheet](#).

Create Journal

On the Workday **Home** screen:

1) Type **Create Journal** in the search field.

2) Select the **Create Journal** task from the Search Results.

On the **Create Journal** screen:

3) Complete the following fields:
   - **Ledger** (required) **–** Select the Actuals Ledger for the appropriate Company.
   - **Accounting Date** (required) **–** Enter today's date.
   - **Journal Source** (required) **–** Select **Payroll Accounting Adjustment – Historical.**
   - **Balancing Fund** (required) **–** Enter **FD002 Unrestricted Local Fund.**
   - **Memo** (required) **–** Enter memo using the following naming convention: MBU Prefix-computing ID-Description of Journal (ex. FI-ESP5F-Historical PAA for Jane Smith).
   - **Control Total Amounts** (recommended) **–** Enter total amount of salaries/wages + fringe benefit expense being adjusted. Entering this here will ensure you have a check and balance to your journal entry once all lines are entered in the next step.

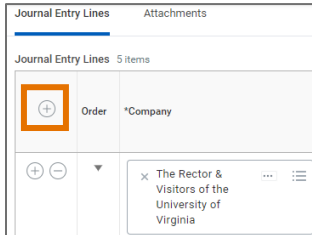4) Select **Continue** to display the **Journal Entry Lines** and **Attachments** tabs.

Under the **Journal Entry Lines** tab:

5) Click the + button to populate the table with the appropriate number of Journal Entry Lines for your transaction.

NOTE	Ensure you have enough Journal Lines to capture **Credit Amount** (crediting the worktags that were incorrectly charged) and **Debit Amount** (debiting worktags that should have been charged) for each Ledger Account and any necessary splits (i.e., if adjusting across multiple FDM Worktag combinations). For example, if creating an adjustment for a salaried employee, you will have at least four Journal Entry Lines: 1) Salary Credit Amount 2) Salary Debit Amount 3) Fringe Benefit Credit Amount 4) Fringe Benefit Debit Amount **Adjusting for multiple pay periods:** If adjusting more than one pay period for the same employee, you can create multiple sets of journal lines in the same journal entry, ensuring different Budget Dates are entered as appropriate.

6) Complete the following fields for each **Journal Entry Line** created:
   - **Company** (required) – Company will auto-populate as per the Ledger selected in **Step 7**.
   - **Ledger Account** (required) – select the appropriate ledger account.
     - 5001: Salaries
     - 5002: Wages
     - 5003: Special Payments
     - 5004: Employee Benefits
   - **Debit Amount** or **Credit Amount** (required) – Debit and Credit amounts must be entered on separate journal lines.
   - **Memo** (required) – type details about transaction.
   - **Budget Date** (required) – Enter the pay period end date or expenditure item date (if different).
     - If you are adjusting pay involving one or more grant worktag(s) the Budget Date must fall within the Award Line To and From dates.

- **FDM Worktags:** Enter FDM Worktags on Credit and Debit lines (use information obtained from FDM Crosswalk to populate Credit lines).
  - o **Gift, Grant, Designated, or Project** (required)

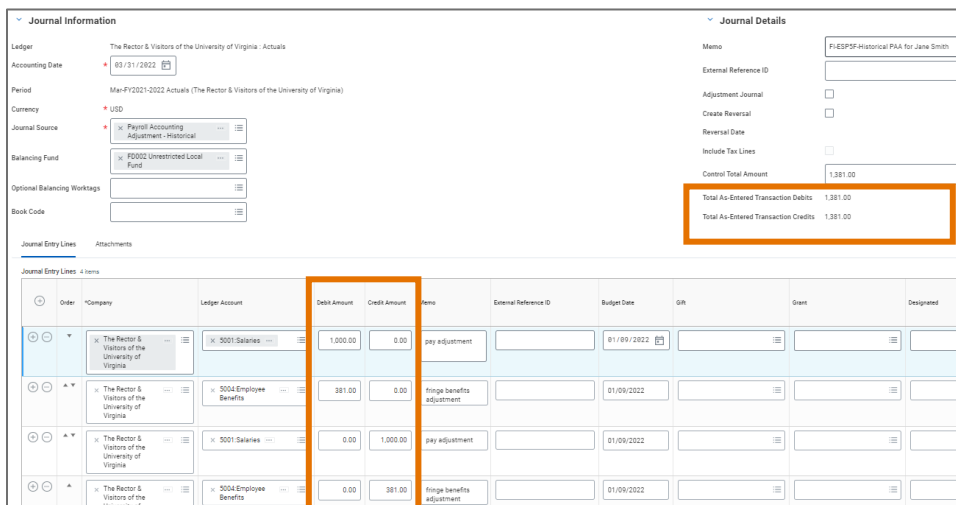|	
NOTE	If a cost share grant is selected, there may be alternative allowable worktags that can be selected (as previously established during the Award Setup process). Reference the allowable worktags (use Workday Report "INT RPT Allowed Worktags," if required) and add accordingly.

  - o **Fund** (required) – May auto-populate
  - o **Cost Center** (required) – May auto-populate
  - o **Function** (required) – May auto-populate
  - o **Program** (optional)
  - o **Project** (optional)
  - o **Additional Worktags** – may auto-populate based on the selected **Cost Center**, however for Historical PAAs, select the following:
    - ▪ **Spend Category** (required) – Salaries Classified Staff FT (SC0029), Fringe Benefits Classified Staff FT (SC0081), etc. For grants, the spend category will also drive an **Object Class** worktag.
    - ▪ **Employee** and **Position ID** (highly recommended) –
      1. Type the employee's name in the additional worktags search field and select the Employee (not Assignee).
      2. Type the Position ID in the additional worktags and select the Position ID.

CAUTION	If you do not include the **Employee** and **Position ID**, the corresponding fields <u>will not</u> be populated when you run the Payroll Journal Line Details or Payroll Journal Line Summary reports.

- **Exclude from Spend Report** – leave unchecked.

7) Verify **Debit Amount** and **Credit Amount** fields in the Journal Entry Lines match the **Total As-Entered Transaction Debits/Total As-Entered Transaction Credit** fields and the **Control Total Amount** under the Journal Details section:

Under the **Attachments** tab:

8) Attach documentation (required):
   a. Select the **Attachments** tab.
   b. Drag and drop the following supporting documentation to the field or select the **Select Files** button to browse your documents:
      i. Grant-related documentation if grant is impacted:
         1. Retro Cost Transfer Form
         2. Copy of Effort Reports
         3. Expenditure Detail Report (UBI: GA Actuals or GA BBA) of salary expenses requested to be transferred.
      ii. UBI LD or GA Report(s)
      iii. Fringe calculation

9) Click **Submit**.

You have successfully completed this task. It will now be routed based on the workflow.