RIAS PHASE III –

Human Capital Management (HCM)/Payroll

Commitment Accounting
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Overview of Commitment Accounting

Department Default Accounts
Commitment Accounting distributes employee payroll costs based on designated charging instructions provided by each Rutgers Department. Departments have a fund source identified as a departmental account for charging employee payroll. Unless an alternative funding source is designated, this departmental fund source will be charged as a Payroll default account or used as a suspense account in the event costing is interrupted due to the expiration (usually end dating) of another intended funding source. *The departmental account cannot be a grant account or otherwise restricted account.*

Funding End Dates and Salary Reallocations
Funding can be redirected throughout the fiscal year. You can establish charging instructions for current or future effective dates. However, once a payroll has been processed, you can no longer adjust it retroactively. Retroactive funding must be done using the new salary reallocation form.

The Funding End Date for grant fund sources will be the Grant Award End Date (this date does not include the additional 90 days used in the General Ledger). Departments will have the ability to extend the Funding End Date, but it should only be extended beyond the original Award End Date if the award is extended in the Financial Data Warehouse by the Division of Grant and Contract Accounting, according to current policy and procedures. Departments must access the Commitment Accounting application to extend this date so that their commitments will be calculated correctly and to keep payroll charges from erroneously defaulting to the departmental suspense account.

Salary Commitments
Salary commitments are calculated for each employee using the RU daily rate, which is derived from the annual salary as maintained in the HCM application by Human Resources, and based on the status of the funding source(s) identified for the salary expense postings. Commitments are not calculated on hourly wages, only on salaried payroll. The encumbrance is calculated through the remainder of the fiscal year on all accounts without a Funding End Date. For grant accounts, encumbrances may calculate beyond the current fiscal year depending on the end of the award. If you know your employee’s appointment will end prior to the funding period, change or insert a Funding End Date so your commitments will calculate correctly.
Combination Codes

A combination code is a 9-digit number representing a General Ledger account string to be charged for Payroll. Example: Combination Code 000002721 maps to GL account string 00-200004-00000-00000-00000-000-DR PETER-SUMMER. Note that only the fund source is displayed in the account string. The remaining segments will be derived before posting to the General Ledger.

When a salary or hourly employee is hired, the employee’s payroll will either be directly charged to the departmental default fund source or to other designated fund source(s). At the appointment level, the fund source chosen to charge payroll can be changed by the department, as appropriate, corresponding to the employee’s work effort by entering combination code(s) and effort percentages into the Department Budget Table’s Earnings distribution section.

Dept Activity 1 and Dept Activity 2 Account Segments

Departments will also have the option of including values in the Dept Activity 1 and Dept Activity 2 account segments of the account string to create a new combination code. Access to these fields will continue to assist departments if they choose to further define and track payroll charges at the appointment levels. If not already established, new values for either of these fields can also be created by departments and will be available for University community use.

Suspense Transactions

Combination Codes for Suspense transactions will use the Natural Account 16999. You cannot use these combination codes for charging instructions. Transactions will default to suspense whenever there is a Funding End Date in the Department Budget Table field and payroll is processed for a period that extends beyond that date.
### New Terminology

<table>
<thead>
<tr>
<th>Terms</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Combination Code</strong></td>
<td>A combination code is a 9-digit system generated number that represents the General Ledger Chart of Account fund source account string. In the application, only the fund source segment is defined, and Department Activity 1 and/or Department Activity 2 segment values, if used.</td>
</tr>
<tr>
<td><strong>Department Default Account</strong></td>
<td>Used in Commitment Accounting to identify a departmental fund source for charging employee payroll expenses, if not otherwise distributed. The department default account cannot be a grant account or other restricted account.</td>
</tr>
<tr>
<td><strong>Effective Date</strong></td>
<td>Date on which information takes effect. The Effective Date defaults to the system's current date unless overridden by user. The information is in effect until a new entry is made with a more current effective date.</td>
</tr>
<tr>
<td><strong>Funding End Date</strong></td>
<td>Used in Commitment Accounting as the end date for an appointment or the end date of a grant award. This date does not include the additional approximately 90 extended processing days used by the General Ledger. Commitments are calculated through this date for a funding source.</td>
</tr>
<tr>
<td><strong>Suspense Account</strong></td>
<td>The Natural Account 16999 is used in Commitment Accounting to identify the suspense account entry for salary expense charged to a funding source whenever funding has an end date or when current charging instructions have been met and the system cannot find current alternate funding.</td>
</tr>
</tbody>
</table>
Department Budget Table

Department Budget Earnings Screen

Charging instructions for payrolls are captured on the Department Budget Earnings Screen. Descriptions for the Department Budget Earnings fields are found below:

<table>
<thead>
<tr>
<th>Section</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Department</td>
<td>Owning Department number and Department description</td>
</tr>
<tr>
<td>2 Fiscal Year</td>
<td>Fiscal year of the appointment level funding</td>
</tr>
<tr>
<td>3 Budget Begin and End Dates</td>
<td>The fiscal year begin and end dates</td>
</tr>
<tr>
<td>4 Appointment</td>
<td>The radio button for Appointment in the Level section identifies this record as appointment level funding.</td>
</tr>
<tr>
<td>5 Empl ID, Employee Name and Empl Record</td>
<td>Employee’s ID, Name and the Employee Record number. (Note: An employee can have multiple assignments or Employee Records. Make sure you select the right one.)</td>
</tr>
<tr>
<td>6 Effective Date</td>
<td>The date the charging instructions begin.</td>
</tr>
<tr>
<td>7 Status</td>
<td>Status of the charging instructions is either Active or Inactive.</td>
</tr>
<tr>
<td>8 Combination Code tab</td>
<td>This tab in the Earnings Distribution section identifies the combination code and charging instruction distribution percentage. (For a description of the Combination Code, select the Combination Code Description tab.)</td>
</tr>
</tbody>
</table>
Multiple Charging Instruction Records

Multiple records (i.e., 1 of 2) in the upper right hand corner of the Level section of the Dept Budget Earnings screen indicates that more than one set of charging instructions exist with different effective dates. The first record is the most current for the employee.

View All Charging Instructions

The View All link gives a complete history of all charging instructions. In this example, effective September 21, 2010, payroll for John Farmer is being charged 100% to combination code 000005134. Prior to September 21st, the payroll was charged to combination code 000004669.
Change Existing Appointment Level Funding

After you login to the system, you can access Commitment Accounting by selecting Setup HRMS>Product Related>Commitment Accounting>Budget Information>Department Budget Table USA from the Main menu. The Dept Budget Table Search screen displays.

Locate Existing Appointment Level Funding

If Appointment level funding exists, search for an employee using the Find an Existing Value tab on the search screen, and follow these steps:

1. Keep the Default of SHARE in the Set ID.
2. Enter the Fiscal Year.
3. In the Budget Level field, keep the default of Appointment.
   ** It is recommended that you enter other search criteria such as Department or Empl ID (Employee ID) to narrow down your search.**
4. Click the search button and select the employee, according to the Empl ID.

**NOTE:** If you cannot locate the employee you are looking for, this indicates the employee is not set up for appointment level funding and is being charged to the department default account. See the ‘Create Appointment Level Funding’ section to establish charging instructions for the employee.

Once the employee is selected, the existing payroll charging instructions for the employee will be displayed on the Dept Budget Earnings screen.
Level Section of the Dept Budget Earnings Screen

Click the plus sign in the Level section of the Dept Budget Earnings screen to add a new record and to designate new charging instructions.

Level Section Information:

- **Effective Date** – A required field that indicates when the new budget row takes effect. The field will auto populate to today’s date, but you can enter a future date. The date entered must fall within the current fiscal year. You can also enter a prior date that is 2 pay cycles earlier than the current pay end date. If a prior period adjustment is required earlier than 2 pay cycles date, a salary reallocation request must be prepared.

- **Eff Seq** – (Effective Sequence): The chronological System numbering of Earnings Distribution rows by their effective dates. All effective dates begin with a sequence of ‘zero’, and then are sequentially numbered for any additional row taking effect on the same day.

- **Status** – A required field that defaults to ‘Active’.

- **Date Entered** - The System generated date that the charging instructions were entered.

- **Budget Level Cap** - Always should be zero. DO NOT CHANGE.

- **Currency** – A required field. Keep the default of USD. DO NOT CHANGE.
Earnings Distribution Section of the Dept Budget Earnings Screen

Earnings Distribution allows you to establish Payroll charging instructions for one or multiple funding sources. Funding sources are charged by using a Combination Code that corresponds to a valid account string used in the General Ledger.

- **Sequence Number** – This is the processing order for distributing payroll to the designated combination codes(s) and is a required field. Use sequencing #1 for each row that is to be charged simultaneously during the payroll. *Example:*

```
<table>
<thead>
<tr>
<th>Earnings Code</th>
<th>Sequence Number</th>
<th>Combination Code</th>
<th>Funding End Date</th>
<th>Fiscal Year Budget Amount</th>
<th>Distribution %</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>1</td>
<td>000002865</td>
<td></td>
<td>70.000</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>1</td>
<td>000008974</td>
<td></td>
<td>20.000</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>1</td>
<td>000008977</td>
<td></td>
<td>10.000</td>
<td></td>
</tr>
</tbody>
</table>
```

All of the above combination codes must be charged simultaneously during payroll processing to achieve 100% distribution.

- **Combination Code** - A combination code is a 9-digit System generated number that represents the General Ledger account string. To view a description of the combination code and the fund source, select the Combination Code Description tab.

- **Funding End Date** – This date is the actual Award End Date for grant accounts. It does not include the extended 90 days used in the General Ledger to process delayed transactions. However, this field may also be used to stop appointment charging instructions and commitment calculations in advance of the end date on the grant award by inserting a date in the field prior to the Award End Date. The Funding End Date should not be manually changed beyond the Award End Date until the Division of Grant and Contract Accounting has extended the date in the Financial Data Warehouse.
- **Fiscal Year Budget Amount** – This is the maximum funding amount to be charged to the combination code and can be used for Federal Work Study student awards. You **can not use** this field for grant accounts.

- **Distribution %** - Displays account funding by percentage of effort. If charging multiple fund sources, ensure the percent totals 100% for the employee.

- **Plus/minus signs** (+ -) – By selecting the plus sign, you will add a row which allows you to enter another combination code. If you select the minus sign, you will delete a row and the combination code.

### Selecting Combination Codes

To change the combination code for an existing appointment select the **Combination Code Description** tab and click on the **ChartField Details** link.

Type in the **new combination code** on the ChartField details screen, which will display the fund source to be charged and select **OK**.

The combination code you typed will populate on the earnings distribution section of the Dept Budget Earnings table.
Search for Combination Codes

When you do not know the combination code, select the **Search** button on the ChartField Details screen.

Type in the fund source or use the search icon to obtain a list of fund sources. Click the **Search** button. Click the **Select** button next to the Combination Code you are looking for.

The ChartField Details screen will display the fund source, click **OK**.

Your combination code will populate the Earnings Distribution section of the Dept Budget Earnings table.
View/Change Distribution Percentage

After you select your combination code, to view and change the distribution percentage (%), click on the Combination Code tab.

The Distribution % must equal 100%. You have the option to change the percentage and add other combination codes to total 100%. If only one combination code is charged, select the Save button. The new charging instructions will take effect on the effective date entered.

Charge to Multiple Funding Sources (Combination Codes)

If you want to add combination codes to distribute payroll to multiple accounts, click the plus sign next to the Distribution % field to add another combination code row. Enter in the number 1 in the Sequence Number, select the Combination Code Description tab.

Click on the ChartField Details link. Select your next combination code.

The new combination code will be displayed.

Select the Combination Code tab to change the distribution amount.
If you want to add another combination code, repeat the steps above. When finished entering your combination codes and distribution percentages, select **Save**. The new charging instructions will take effect on the effective date entered.

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**Using a Combination Code Associated with a Grant Fund Source**

When you select a combination code associated with a grant fund source, the funding end date will be populated with the Grant Award End Date (this date does not include the additional 90 days used in the General Ledger).

The salary encumbrances will calculate out to the end of the grant. If you know the person will not be on the grant for the entire time of the grant, change the Funding End Date so commitments are calculated accurately.

If the Funding End Date is blank, salary encumbrances will calculate to the end of the fiscal year.

If the Funding End Date is earlier than the end of the current fiscal year, salary encumbrances will calculate through the Funding End Date of the fund source. To indicate alternative funding, a future dated row must be added by selecting the plus sign with new funding instructions, otherwise the salary encumbrance will be charged to a Suspense Account once the Funding End Date has expired.
Fiscal Year Budget Amount Field

The Fiscal Year Budget Amount field can be used to track a maximum award amount for a non grant account. As an example, Federal Work Study student wages. When a department uses this field, the system will first charge the employee’s payroll to the fund source identified on the fiscal year budget amount row. Once that amount is met, the system will then charge the other combination code(s) assigned to the distribution percentage row(s).

To make the Fiscal Year Budget Amount an enterable field, in the earnings distribution section of the Dept Budget Earnings table, enter a sequence number of 1 and hit the Tab key on your key board. Enter the amount and select a Combination Code. (See section of this guide “Selecting Combination Codes”). You cannot use a combination code that is associated with a grant account.

The last row(s) have a sequence number of 2. Select a Combination Code(s) and use the distribution percentage (total must equal 100%).

*Please Note: Any rate adjustments for a Federal Work Study (FWS) student should be processed as a Time Entry override on a student's timesheet with a combo code for a departmental account to be charged with the rate adjustment amount (amount over the regular FWS rate), so that it is NOT included towards the Fiscal Year Budget Amount maximum. The combo code for the rate adjustment should differ from the FWS combo code.
Create New Appointment Level Funding

After you login to the system, you can access the Department Budget Table by selecting Setup HRMS>Product Related>Commitment Accounting>Budget Information>Department Budget Table USA from the Main menu. The Dept Budget Table Search screen displays. You establish appointment level funding if you no longer want the payrolls for a particular employee to be charged to the department default account.

Set Up New Appointment Level Funding

If you are creating appointment level funding for the first time for an employee, select the Add a New Value tab on the Department Budget Table Search screen and follow these steps:

1. Keep the Default of SHARE in the Set ID.
2. Enter the Department Number.
3. Enter the Fiscal Year.
4. In the Budget Level field, keep the default of Appointment.

The values you entered on the Add a New Value screen will populate a Dept Budget Earnings screen.

5. Enter the employee’s Empl ID (Employee ID) (You can also search for the Empl ID by using the search icon . Ensure you have the right employee record.

6. Click the Add button.

The values you entered on the Add a New Value screen will populate a Dept Budget Earnings screen.
7. Enter the Effective Date for the charging instructions.
8. Keep status of Active.
9. Enter “1” in the Sequence Number field.
10. Select the Combination Code Description tab.

11. Select the ChartField Details link
12. Enter a combination code or search for one. (See ‘Search for Combination Codes’.)
13. Select Combination Code tab. Enter the effort distribution percentage. Remember all row percentages must total 100%.

14. If you are charging more than one combination code, select the plus sign and follow steps 9-13.
15. When finished selecting all combination codes, click the Save button.
Dept Activity 1 and Dept Activity 2

Dept Activity 1 and Dept Activity 2 fields are 10 characters long and are not free form fields as they are in the General Ledger. If not already available in the list of values, you need to define them first as ChartField Values and then select them from the search icon. When you select Dept Activity 1 and/or 2 values into an account string, you create a new combination code with the selected value(s).

![ChartField Details](image)

**Look Up Dept Activity 1**

Set ID: SHARE

Dept Activity 1: begins with

![Search Results](image)

Creating New Dept Activity 1 and 2 Values

To Add a value to Dept Activity 1 or Dept Activity 2, navigate to Setup HRMS>Common Definitions>ChartField Configuration>ChartField Values from the Main menu. Select either the Dept Activity 1 or Dept Activity 2 link.
Select the **Add New Value** tab. Type the word **SHARE** in the Set ID. (*Values must not include punctuation marks of any kind – no dashes, commas, periods, slashes, etc.*) Type the new value in the Dept Activity 1 field and select the **Add button**.

![Chartfield1](image1.png)

Make the status of the value you enter **Active** and click the **Save** button.

**Dept Activity 1**

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Status</th>
<th>Description</th>
<th>Short Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>09/25/2010</td>
<td>Active</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Now on the Chartfield Details screen, the new value you entered will display in the search list.

**Look Up Dept Activity 1**

Set ID: **SHARE**

Dept Activity 1: **begins with**

<table>
<thead>
<tr>
<th>Search Results</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Dept Activity 1</strong></td>
</tr>
<tr>
<td>NUCLER MED</td>
</tr>
<tr>
<td>SUMMER</td>
</tr>
<tr>
<td>WINTER</td>
</tr>
</tbody>
</table>
Create New Combination Codes

Departments have the ability to create new combination codes by adding Dept Activity 1 and Dept Activity 2 to an existing combination code. The original combination code will remain intact. The new combination code you create will use the fund source from the original combination code.

Navigate to the Department Budget Table by selecting Setup HRMS>Product Related>Commitment Accounting>Budget Information>Department Budget Table USA from the Main menu.

When creating appointment level charging instructions, you can use the Dept Activity 1 or 2 field(s), after you select a combination code on the Department Budget Earnings table.

1. Enter “1” in the Sequence Number field.
2. Select the Combination Code Description tab.
3. Select the ChartField Details link.
4. Enter a combination code in the combination code field and click OK. Follow step 5.

OR use the Search functionality
4A). Click the **Search button**. Type in the fund source. Click **Search** again. A listing of combination codes for the fund source entered appears. Click the **Select button** next to the Combination Code which has the Natural Account and Dept Activity 1 or 2 fields blank.

5. The Chartfield Details screen appears, you can then select Dept Activity 1 and/or 2 values.

6. A NEW Combination Code will be created and a Message notice will appear indicating the NEW Combo Code value. Click **OK**.
Note that the NEW value will also appear on the Department Budget Table in the charging instructions. Once you save your charging instructions, the new combination code will be used.

You can create many new combinations codes with the same fund source using different Depart Activity 1 and 2 values.

If you searched on your fund source again, you would see a listing of all the new combination codes you have created which you can now use in your charging instructions.
<table>
<thead>
<tr>
<th>Report Name</th>
<th>Description</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Appointment Level Charging Instructions</td>
<td>Provides appointment and department level charging instruction information by employee.</td>
<td>HDW</td>
</tr>
<tr>
<td>16999 Suspense Audit Report</td>
<td>Provides postings to departmental suspense account for each RU organization and related fund source. Views are by Fund Source and by Employee.</td>
<td>HDW</td>
</tr>
<tr>
<td>Salary Encumbrance Report</td>
<td>Provides salary encumbrances (total, paid &amp; balance remaining) for each RU organization. Views are by Fund Source and by Employee.</td>
<td>HDW</td>
</tr>
<tr>
<td>Payroll Distribution Report</td>
<td>Provides detailed and summary payroll information for all employees paid within specified date ranges. Report views reflect distributions by Fund Source and by Employee.</td>
<td>HDW</td>
</tr>
</tbody>
</table>