

Salary Planning and Distribution (SPD) Procedures Paper Process

Overview

The PeopleSoft based Salary Planning & Distribution (SPD) system will be used by Georgia Tech to redistribute incurred salaries and correct personal service encumbrances for future periods. As a part of this process, previously posted salary expenses/encumbrances, fringe benefit expenses/encumbrances, and tuition remission expenses/encumbrances (if applicable) will be adjusted on the General Ledger.

The SPD system will begin operation in February 1999, the Institute's anticipated date for implementation of the PeopleSoft Human Resource Management System (HRMS). At that time, the 22 largest users of the current Personal Service Detail (PSD) module will use an on-line version of the product. The remainder of the campus will use a paper-based process described in this procedure. Paperwork will be submitted to the SPD Center located and managed in the Grants and Contracts Accounting Office. (Please note that once fully implemented, campus departments will use the on-line procedures and panels.)

As part of the SPD implementation on campus, two significant policy changes will occur. First, all fringe benefit charges will be posted to accounts based upon a flat rate percentage of applicable salary costs, not actual benefit costs. This will eliminate the previously inconsistent treatment provided to state and sponsored accounts, and will result in less effort to administer fringe benefit accounting. Second, tuition remission will be encumbered for all projects that are eligible for the charges, if the employee (student) is also eligible. Both of these policy changes are part of the functionality of the new SPD module.

Policy Guidelines

The redistribution of personal service costs is a form of cost transfer involving the movement of personal service costs from a non-sponsored project to a sponsored project, or from a sponsored project to any other project. The matter of personal services cost transfers is a sensitive issue in the university's operation of its sponsored programs and receives careful scrutiny by sponsor representatives, especially federal government contracting officers and auditors.

The Georgia Institute of Technology policy requires preparation of invoices to sponsors

charges are directly related to the project scope, that charges are allowable by the project budget, and that charges have been incurred in a timely manner to benefit project activities according to all Institute accounting policies and procedures. For certain federally funded projects, federal officers must certify the invoices before action is taken to approve payment.

Certifications are made that charges are correct at the time of billing, and that expenses are subsequently collected. Proper documentation must be available to justify and support initial charges and changes to project costs. Personal service cost transfers are required to revise the distribution of personal service costs during the year as assignments are changed to accommodate new activities and instructional schedules to achieve proper, consistent, and equitable distribution of costs to sponsored projects.

Procedure Guidelines

Departments will receive copies of forms for processing changes to time and effort for affected faculty and staff around the fifth of each month. The packet will include:

- (1) An SPD Monthly Employee Cost Detail containing past pay period payroll distribution and anticipated future payroll distributions for each employee. This form replaces the old PSD Turnaround Document. (*Attachment A* is an example.)
- (2) Blank SPD Monthly Employee Cost Detail forms for additional changes (*Attachment B*) may also be accessed and printed from Web location www.gatech.edu/mgtsrv/peoplesoft/gtonly
- (3) An SPD Transmittal Form (*Attachment C*) may also be accessed and printed from Web location www.gatech.edu/mgtsrv/peoplesoft/gtonly

Salary adjustments will be made on the Monthly Employee Cost Detail Forms, identified on an SPD Transmittal Form, and then returned to the Grants and Contracts SPD Center by the fifteenth of each month. The SPD Center will return a copy of the SPD Transmittal Form and the corrected Monthly Employee Cost Detail (old PSD Turnaround) to notify the requesting department that changes have been made and confirmed in the system. Requested changes will normally be made within 2-3 days of receipt. If for any reason a change cannot be made, the SPD center will notify the requester of the delay or reason for non-entry. (Be aware that standard procedure will be to lock out or prevent changes to any payroll being processed within 10 days prior to the pay date. This blackout happens because the Payroll Office is using information in the SPD module to write a payroll. In these situations, the Grants and Contracts SPD Center will notify the department of the delay by e-mail or by telephone, and process the change as a past pay period change once the payroll records are available for processing.)

and submit all documentation together for more timely processing. (Note: an e-mail from the second department confirming approval for the change will be accepted). Please note that at any time a campus Financial Manager may request individual copies of the Monthly Employee Cost Detail forms from the SPD Center and submit a change request. Contact the SPD center at extension 4-3488 or send an e-mail spd.ask@business.gatech.edu to request the necessary forms.

Monthly Employee Cost Detail Form/Report (Replaces the PSD Turnaround)

The Monthly Employee Cost Detail Form/Report is similar to the PSD Turnaround report in that the months/pay periods are displayed in the far left column and other columns on the report represent the accounting distribution(s) for the individual's salary. Please note that all PeopleSoft systems will utilize a new account number, called a "Project Number". Please consult with the General Accounting Office (Ext. 4-4681) if you need information on the new project numbers. For convenience, the Form/Report also lists the "old account" number and the MSA/GEAC account number.

Each column of the Form/Report displays the original amount or percentage distribution assigned to a project for each month and/or pay period. If a change is desired in a past pay period, enter corrected amounts in the space provided. If a change is needed for future pay periods, enter corrected percentages in the space provided. **Note: Past Pay Period adjustments must be made by amount (in dollars) and Future Pay Period adjustments must be made by percentage up to three decimal points.** Each page of the Form/Report contains up to four project distributions. Some faculty and staff members may be reported on multiple pages, depending upon the number of projects to which their salary is distributed. Blank pages are supplied with the monthly reports and are also available on the WEB at www.gatech.edu/mgtsrv/peoplesoft/gtonly

A copy of the forms for your entire unit will be mailed by the deadlines noted above to Campus Financial Managers. Campus Financial Managers are responsible for distribution of the Monthly Employee Cost Detail printouts to faculty and staff. In accordance with the A-21 Plan Confirmation Procedures, the Financial Manager and faculty/staff member must review the distribution to determine if any adjustments should be made to past or future pay periods as a result of a significant change in workload. The Financial Manager should retain a copy of all forms and follow instructions noted below for processing changes.

Salary Planning and Distribution (SPD) Transmittal Form

Accompanying the Monthly Employee Cost Detail is a Salary Planning and Distribution Transmittal Form. The descriptive information listed at the top of the form and the "Contact Information" section should be completed for each SPD sheet returned with changes. If the changes include Past Pay Period Changes requiring a Late Justification,

a detailed explanation for the change, and the reason that the change was not made in a timely manner (within 60 days). The general categories of exceptions and examples of when they are used are as follows:

1. Prior effort on new project - Used to charge a new project, which permits recognition of prior effort.
2. Move excess/unallow charges - Used to move excess or unallowable charges to appropriate account--describe in detail below.
3. Correct posting/acctg error - Used to correct prior period posting, or accounting error to match original documentation.
4. Other-explain in detail – Used to report all other reasons for late changes. A detailed explanation is to be provided in the “EXPLANATION” area.

Once changes are processed and confirmed by the G&C SPD Center, a copy of the SPD Transmittal Form and corrected Monthly Employee Cost Detail will be returned to the unit. The “For Grants & Contracts SPD Center Only” section on the SPD Transmittal Form will be completed to indicate when the changes were entered into the system, the person who entered the changes, a control number to be used for reference, and a contact telephone number. The control number may be used for more expedient referral if questions need to be addressed to the Grants and Contracts SPD Center.

Distribution and Return of Reports

The Grants and Contracts SPD Center will distribute the Monthly Employee Cost Detail and SPD Transmittal Forms around the 5th of each month as a part of the Plan Confirmation Workload Assignment Reports. Reports should be reviewed, changes should be noted on the reports, and packets should be returned to the Grants and Contracts SPD Center by the 15th of each month. Once changes are posted and verified for accuracy, a confirmation (copy of SPD Transmittal Form and corrected Monthly Employee Cost Detail) will be returned to the department from the SPD Center.