

Why using the correct HR account code matters

One of the common instances where we see bad HR account code data consistently used is on supplemental payment requisitions that initiate at the department level. While non-student employee approval must first be obtained from the Provost (faculty) or HR Compensation (admin & staff), these approval areas only have responsibility for ensuring the payment or rate is valid. They do not verify the HR account code or funding availability.

When the form reaches Budget for fiscal sign-off, the HR account code data is often missing components or has incorrect components identified. Funding is often not there. Incorrect salary lines are used. In particular, departments assume someone later in the process will complete or correct any issues with the HR account code. Rather than return the form to the initiating department, members of the Budget staff often do attempt to make corrections and resolve problems.

- Budget must contact the department by phone or email to bring problems to resolution

Issues:

- 1) Finding someone who is capable of responding to questions
 - dept person whose signature is on the form is often not the person who completed the form or can answer questions about it
 - person who completes form often can not see salary budgets to identify if funding is needed
 - person who completes form often can not do a salary budget transfer to provide funding
 - person who completes form often does not have access to HR account code translation query in HR to provide accurate data
- 2) Lack of immediate response or action
 - often causes supplemental payment to miss next scheduled payroll
 - supplemental sits "on hold" in Budget where status must be reviewed daily and multiple contacts must often be made
 - payment that's been unaddressed suddenly needs to be RUSHED to meet a payroll deadline and immediate attention must be paid by Budget and HRSC to ensure it gets in or responsibility for late pay is passed to them
 - payment misses cutoff for fiscal year and funding must be provided in next year

- A payroll redistribution must be processed to fix those HR account code errors not caught upfront

Issues:

- 1) Timeliness of processing the correcting entry
 - expended and balances on all reports and queries are incorrect for a lengthy period of time
 - can not tell what is really available in order to move funds
 - may restrict hiring/payments until issue is corrected

- 2) Resulting bad HR account codes that get created
 - clutter up the HR account code file
 - are hard to purge
 - can continue to be selected by mistake in future
 - 3) Unfunded or incorrect HR account codes can create payroll journals which go into suspense and must be followed up by the Controller's Office
- Using an incorrect salary line makes reporting and budget planning more difficult

Issues:

- 1) Ability to capture salary expenses in their true salary category v. generic supplemental line is compromised
 - the supplemental line often becomes a dumping ground where things go for ease of processing
 - positions may not carry the cost of supplemental expense
 - instructional costs cannot be fully captured for categories like teaching fellows or part-time faculty if placed in supplemental expense line
 - student costs cannot be fully identified if placed in supplemental line
- 2) forces the creation of unnecessary HR account codes
- 3) requires unnecessary movement of funds
- 4) creates greater number of salary variances for forecasting which require explanation