



# PAYROLL ENCUMBRANCES & SUSPENSE FROM START TO FINISH

*...with the focus on Suspense*

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## Session Topics

- Welcome & Introductions (5 min)
- High level overview (10 min)
  - Encumbrance Handout
- “Why you might have suspense...and how to troubleshoot” (20 min)
- Discussion: How do you avoid things going to suspense? (20 min)
- Wrap up & Closing (5 min)

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# Payroll Encumbrances

- Handout vs. Discussion
- Encumbrance Setup
- Encumbrance Processes and Timings
- Tools
  - PEDR Query
  - M\_BUDGET\_ACTUALS Query
  - Enc Adjustment Report sent via email

New job aid published 10/12/17:

**SAN DIEGO COUNTY OFFICE OF EDUCATION**

**Payroll Encumbrances**

Version 1.0 | October 12, 2017

**Payroll Encumbrances**

Payroll Encumbrances are the budget allocations of Earnings, Deductions and Taxes that have been set aside for an employee for the remainder of the year. These allocations are a projection of future expenses based on the situation, as you know it today. Encumbering funds isn't the same as spending them or ever guaranteeing that you'll spend them. It just means that if the situation as it exists today doesn't change, you'll spend all of those funds by the end of the fiscal year. Each month after payroll runs, the earnings, deductions and taxes that were paid that month will be moved from the encumbrances to expenses. Earnings are encumbered based on earnings in Job data and funding from the default (blank Earn Code) row on the Dept Budget Table (DBT). Deduction and tax encumbrances are based on the Encumbrance Definition (Enc Def) page for each position. The Encumbrance Maintenance (Enc Maint) process populates data on the Enc Def for the districts based on the employee's last payroll.

**Encumbrance Set-up**

Earnings are encumbered based on earnings in Job data and funding from the default (blank Earn Code) row on the Dept Budget Table (DBT). Deduction and tax encumbrances are based on the Encumbrance Definition (Enc Def) page for each position. The Encumbrance Maintenance (Enc Maint) process populates data on the Enc Def for the districts based on the employee's last payroll.

Once there is an incumbent in a position, the system calculates encumbrances from the compensation tab on the Job Data screen and the employee's deduction and tax encumbrances are based on the last payroll.

**NOTE: M (Salaried or Monthly) or E (Exception Hourly) Paygroups are the only Paygroups that are encumbered. The P (Positive Pay) group is not encumbered.**

**Job Data Screen**

The M\_BUDGET\_ACTUALS query in HCM (p. 6) shows the employee position that is encumbered.

SDCOE Customer Resource Center Payroll Encumbrances v1.0 | 1

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# What Causes Payroll Suspense?

- Department Budget Table (DBT) Issues
  - An active DBT must be tied to each Position Number in HCM
  - The Department # on the Position must match the Department # on the DBT

**Position Information**

Position Number: 1095270  
 Headcount Status: Filled  
 Effective Date: 07/04/2016  
 Status: Active

**Job Information**

Business Unit: SOCOE Superintendent  
 Job Code: 22713 Specialist  
 Regular Rate: \$41.99  
 Department: 000 Business Services

**Work Location**

Region: USA  
 Department: 000 Business Services  
 Location: 00005 Internal Business Budget/Acting

**Salary Plan Information**

Salary Admin Plan: 000  
 Grade: 038  
 Standard Hours: 41.00  
 Work Period: Weekly

**Dept Budget Defaults**

Department: 000 Business Services  
 Budget Begin Date: 07/01/2017  
 Budget End Date: 06/30/2018

**Dept Budget Earnings**

Position Number: 1095270  
 Effective Date: 07/01/2017  
 Earnings Cap: 0.00  
 Status: Active

**Earnings Distribution**

Earnings Code	Sequence Number	ChartField Details	Combination Code	Combination Code Description	Fiscal Year Budget Amount	Distribution %	Earnings Code Description
1	1	ChartField Details	000013955	0-000001-000007-3002-00000000	100.000		

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## What Causes Payroll Suspense?

- Combo Code not created
  - Payroll suspense typically occurs for benefit related expenses
  - Due to the budget strings not being opened in financials
    - i.e. Resource, Goal, Function
- A Combo Code is a key that defines a combination of ChartFields
  - A valid Combo Code is a combination of ChartFields that are valid in the General Ledger (GL)
- All Districts share the same Combo Codes
  - Combo codes are created in sequential in order, no logic behind the numbering

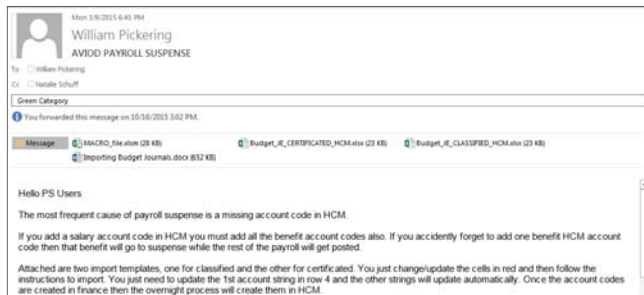
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## Best Practices: How to Minimize Payroll Suspense

- Ensure Budget Transfers/Journals for new salary object accounts also have the applicable benefit object accounts set up in the same journal
  - i.e. If object account code 1100104 is being opened for a new resource, make sure the benefit accounts related to a certificated employee are opened
- Utilize the Budget Import Templates created by William Pickering



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## Best Practices: How to Minimize Payroll Suspense

- The budget template will automatically populate the applicable benefit object account codes based on if the salary object code entered on Line 1 is for a certificated or classified employee

Label	Entry Type	Business Unit	Journal ID	Journal Date	Parent Type	Gen Parent	Entry Event	Ledger Group	Description	Foreign CC	Rate Type	Cur Effdt	Exc Rate	Long Descr	OPEN LINES									
Label Line #	Object	Site	Product	Fund	Goal	Function	Project Year	Affiliate	Fund Affiliate	Oper Affiliate	CF1	CF2	CF3	PC BU	Resource	Activity	Resource Type	Budget Period	Stat Code	Stat Amt	Curr Code	Amount		
L 1	5400102	600		0100	0000	7200									0000796		2018					USD	0	
L 2	3112000	600		0100	0000	7200									0000796		2018					USD	0	
L 3	3122000	600		0100	0000	7200									0000796		2018					USD	0	
L 4	3132000	600		0100	0000	7200									0000796		2018					USD	0	
L 5	3212000	600		0100	0000	7200									0000796		2018					USD	0	
L 6	3222000	600		0100	0000	7200									0000796		2018					USD	0	
L 7	3312000	600		0100	0000	7200									0000796		2018					USD	0	
L 8	3322000	600		0100	0000	7200									0000796		2018					USD	0	
L 9	3332000	600		0100	0000	7200									0000796		2018					USD	0	
L 10	3402000	600		0100	0000	7200									0000796		2018					USD	0	
L 11	3502000	600		0100	0000	7200									0000796		2018					USD	0	
L 12	3602000	600		0100	0000	7200									0000796		2018					USD	0	
L 13	3702000	600		0100	0000	7200									0000796		2018					USD	0	
L 14	3752000	600		0100	0000	7200									0000796		2018					USD	0	
L 15	3902000	600		0100	0000	7200									0000796		2018					USD	0	
L 16	5400103	600		0100	0000	7200									0000796		2018					USD	0	

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## Before Payroll Runs...

- Ensure all positions have an active DBT
  - Run the query: M\_KK\_POSNS\_NO\_DBT\_2018

Posn w/o DBT Entered for 2017	1		
Unit	Position	Dept ID	Eff Date
09900	30003097	410	10/1/2016

- The query should return no results. Add any DBT's for positions that are listed on the query results.

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## Before Payroll Runs...

- The Department Budget Table breadcrumbs are:

Main Menu > Set Up HCM > Product Related > Commitment Accounting > Budget Information > Department Budget Table USA

ORACLE  
Department Budget Table USA

Find an Existing Value Add a New Value

Set ID: 09900  
Department: 410  
Fiscal Year: 2017  
Budget Level: Position  
Position Pool ID:  
Job Code Set ID:  
Job Code:  
Position Number: 00003097  
Empl ID:  
Empl Record:

Add

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## Before Payroll Runs...

- Ensure there are no Department differences between the Position and the DBT
  - Run the query: M\_DBT\_OLD\_ACTIVE\_DEPTS
- If a position moves to another department, then
  - Inactivate the DBT for the previous department before making any changes to the Position
  - Add a row on Add/Update Position Info changing the department
  - Effective date on the Position must match the effective date on the new DBT

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## Before Payroll Runs...

- On payroll final calculation day, run the query in PeopleSoft Financials:
  - FAR\_BUDGET\_STRINGS\_OPEN
- Adopt a process to compare all open ChartField account codes to all possible benefit ChartField accounts based on the salary object codes opened in the GL.
  - Import budget ChartField account combinations that are not currently opened in Financials to ensure the Combo Code creation process is completed before payroll runs at 5 pm.

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## After Payroll Runs...

- Once the CRC sends out notification that the PEDR can be run, schedule the following query to run:
  - M\_BETTERPEDR

**M\_BETTERPEDR - Better PEDR**

Co 099

Pay Period End From MM/DD/YYYY 09/01/2017

Pay Period End To MM/DD/YYYY 09/30/2017

Site % %

View Results

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## After Payroll Runs...

- Create a PivotTable looking at the results from the Better PEDR
  - Use Object code as the filter and select all payroll suspense accounts, 7999xxx with the Employee ID as the row filter

Object	(Multiple Items)	Y
Count of Descr		
ID	Total	
103418		3
105399		1
105695		1
106111		3
111639		3
112648		3
112671		2
113046		1
113566		1
116948		3
116975		1
118039		1
120021		1
121096		1
121173		1
121825		3
122002		1
123456		2

## After Payroll Runs...

- Add a column in the Better PEDR sheet and add a vlookup formula using the Employee ID field and look for any Employee ID's that are listed in the PivotTable.
  - This allows the Better PEDR sheet to be filtered by employees that had a payroll suspense account code.

Better PEDR															2002				
Go	Page	Line	Funs	Resource	Cost	Function	Object	Sil	Oper Unit	Proj Year	Combo Code	ID	Name	Suspense	CODE	Descr	Sum Earning	Position	Class
099		301	24 0100	00000001	0000	7300	23002000	600				000015955	123456	Mouse, Minnie	123456	REG Regular	9061.00	10995270	99P
099		301	24 0100	00000001	0000	7300	52122000	600				000019376	123456	Mouse, Minnie	123456	SDPERS PERS Deduction	1642.29	10995270	99P
099		301	24 0100	99990000	0000	0000	79990003	000				000019392	123456	Mouse, Minnie	123456	E GAS/DIER	662.36	10995270	99P
099		301	24 0100	99990000	0000	0000	79990003	000				000019392	123456	Mouse, Minnie	123456	Q Med/ER	129.18	10995270	99P
099		301	24 0100	00000001	0000	7300	34020000	600				000016637	123456	Mouse, Minnie	123456	SDDENA Dental Deduction	126.61	10995270	99P
099		301	24 0100	00000001	0000	7300	34020000	600				000016637	123456	Mouse, Minnie	123456	SDLIFE Life Insurance Dd	17.80	10995270	99P
099		301	24 0100	00000001	0000	7300	34020000	600				000016637	123456	Mouse, Minnie	123456	SDMED Medical Deductio	1101.31	10995270	99P
099		301	24 0100	00000001	0000	7300	34020000	600				000016637	123456	Mouse, Minnie	123456	SDVISA Vision Deduction	9.10	10995270	99P
099		301	24 0100	00000001	0000	7300	35020000	600				000012079	123456	Mouse, Minnie	123456	U Unempl ER	4.53	10995270	99P
099		301	24 0100	00000001	0000	7300	36020000	600				000012079	123456	Mouse, Minnie	123456	099WCP SOCDE Workers	124.14	10995270	99P
099		301	24 0100	00000001	0000	7300	37120000	600				000012755	123456	Mouse, Minnie	123456	99OPB1 OPEB % DEDUC	117.79	10995270	99P
099		301	24 0100	00000001	0000	7300	37520000	600				000016581	123456	Mouse, Minnie	123456	99OPB2 OPEB AMOUNT	75.00	10995270	99P

## After Payroll Runs...

- Once the correct ChartFields have been determined for an item that fell into suspense, import a GL journal to clear suspense.
  - Use the Employee ID and Position # in the Reference and Description
  - Allows for easier identification of adjustment in GL when reviewing query data

Date	Journal ID	Line #	Unit	Ledger	Account	Fund	Resource	Goal	Function	Sls	Oper Date	Proj/Year	Amount	Second Type	Currency	S/R	Rate Type	Base Amount	Stat Code	Stat Amount	Reference	Description	
11/17	NEXT	1		89900	ACTUALS	2300000	0100	0000001	0000	7300	600		(9,361.90)								EMW136470	Position#10005270	
11/17	NEXT	2		89900	ACTUALS	3212000	0100	0000001	0000	7300	600		(1,761.40)									EMW136470	Position#10005270
11/17	NEXT	3		89900	ACTUALS	3312000	0100	0000001	0000	7300	600		(554.70)									EMW136470	Position#10005270
11/17	NEXT	4		89900	ACTUALS	3220000	0100	0000001	0000	7300	600		(129.70)									EMW136470	Position#10005270
11/17	NEXT	5		89900	ACTUALS	3402000	0100	0000001	0000	7300	600		(169.00)									EMW136470	Position#10005270
11/17	NEXT	6		89900	ACTUALS	3402000	0100	0000001	0000	7300	600		(17.80)									EMW136470	Position#10005270
11/17	NEXT	7		89900	ACTUALS	3402000	0100	0000001	0000	7300	600		(1,368.20)									EMW136470	Position#10005270
11/17	NEXT	8		89900	ACTUALS	3402000	0100	0000001	0000	7300	600		(0.70)									EMW136470	Position#10005270
11/17	NEXT	9		89900	ACTUALS	3502000	0100	0000001	0000	7300	600		(4.53)									EMW136470	Position#10005270
11/17	NEXT	10		89900	ACTUALS	3602000	0100	0000001	0000	7300	600		(115.00)									EMW136470	Position#10005270
11/17	NEXT	11		89900	ACTUALS	3712000	0100	0000001	0000	7300	600		(117.70)									EMW136470	Position#10005270
11/17	NEXT	12		89900	ACTUALS	3702000	0100	0000001	0000	7300	600		(114.00)									EMW136470	Position#10005270
11/17	NEXT	13		89900	ACTUALS	2300000	0100	0004027	0000	7300	600		9,361.90									EMW136470	Position#10005270
11/17	NEXT	14		89900	ACTUALS	3212000	0100	0004027	0000	7300	600		1,761.40									EMW136470	Position#10005270
11/17	NEXT	15		89900	ACTUALS	3312000	0100	0004027	0000	7300	600		554.70									EMW136470	Position#10005270
11/17	NEXT	16		89900	ACTUALS	3220000	0100	0004027	0000	7300	600		129.70									EMW136470	Position#10005270
11/17	NEXT	17		89900	ACTUALS	3402000	0100	0004027	0000	7300	600		169.00									EMW136470	Position#10005270
11/17	NEXT	18		89900	ACTUALS	3402000	0100	0004027	0000	7300	600		17.80									EMW136470	Position#10005270
11/17	NEXT	19		89900	ACTUALS	3402000	0100	0004027	0000	7300	600		1,368.20									EMW136470	Position#10005270
11/17	NEXT	20		89900	ACTUALS	3402000	0100	0004027	0000	7300	600		0.70									EMW136470	Position#10005270
11/17	NEXT	21		89900	ACTUALS	3502000	0100	0004027	0000	7300	600		4.53									EMW136470	Position#10005270
11/17	NEXT	22		89900	ACTUALS	3602000	0100	0004027	0000	7300	600		115.00									EMW136470	Position#10005270
11/17	NEXT	23		89900	ACTUALS	3712000	0100	0004027	0000	7300	600		117.70									EMW136470	Position#10005270
11/17	NEXT	24		89900	ACTUALS	3702000	0100	0004027	0000	7300	600		114.00									EMW136470	Position#10005270

## Payroll Suspense

- It is important to realize that procedures can be put in place to minimize payroll suspense, but it is likely that there will always be some expenses that hit payroll suspense each month.
  - Retirement Adjustments
  - Vacation Pay Outs
  - Limited Term Sick Leave
- Set a goal to minimize the amount of time it takes each month to clear payroll suspense. Adopt procedures to prevent it, and review the items that fall into suspense to identify patterns.

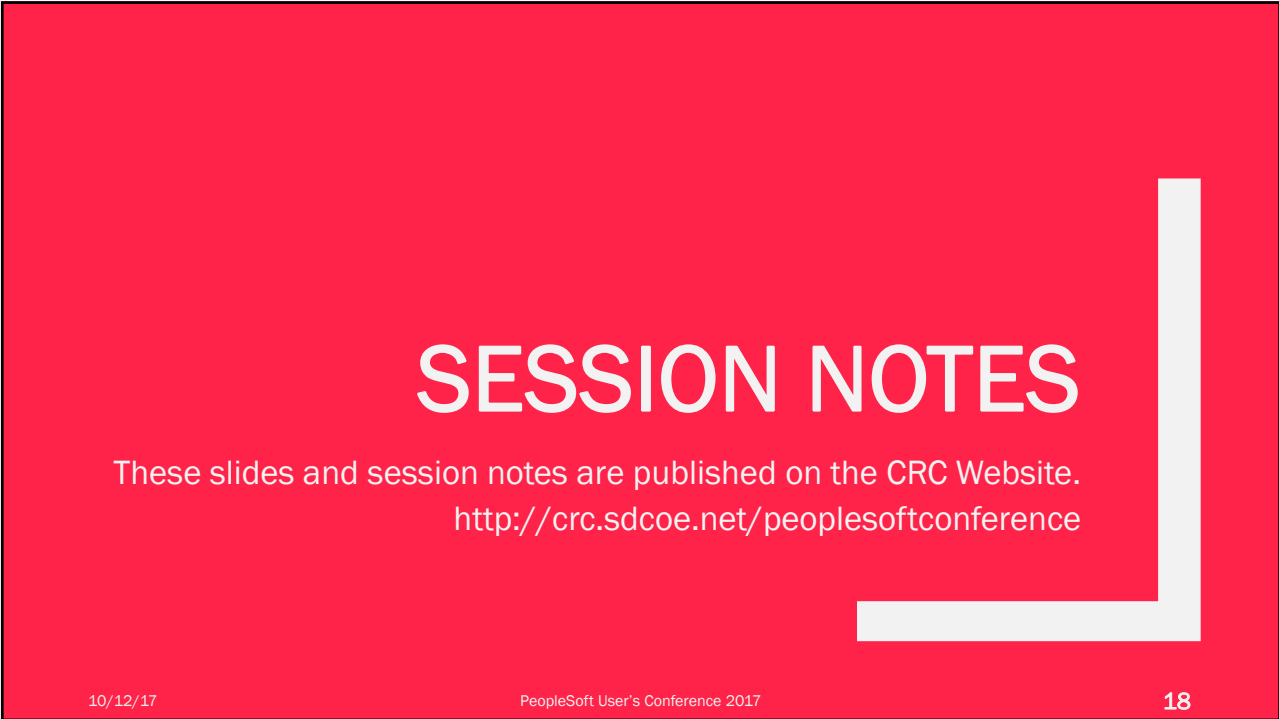




**DISCUSSION (20 MIN)**

How do you avoid things going to suspense?

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**SESSION NOTES**

These slides and session notes are published on the CRC Website.  
<http://crc.sdcoe.net/peoplesoftconference>

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