

# Payroll Encumbrances

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## Payroll Encumbrances

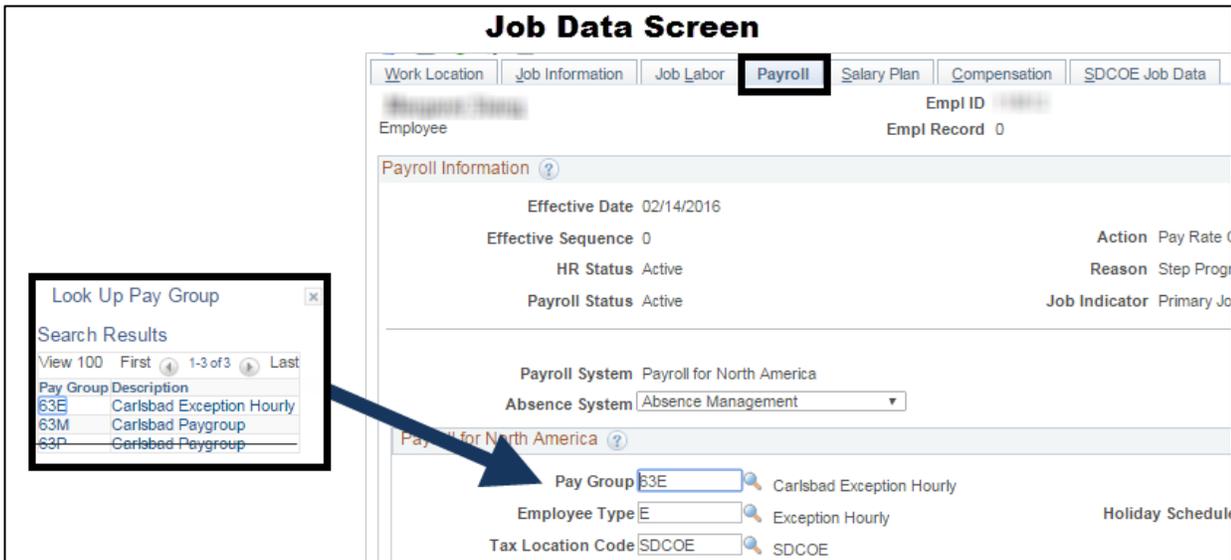
Payroll Encumbrances are the budget allocations of Earnings, Deductions and Taxes that have been set aside for an employee for the remainder of the year. These allocations are a projection of future expenses based on the situation, as you know it today. Encumbering funds isn't the same as spending them or even 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.



The screenshot displays the 'Job Data Screen' with the 'Payroll' tab selected. The 'Payroll Information' section shows details for an employee, including an effective date of 02/14/2016 and a payroll system of 'Payroll for North America'. A 'Look Up Pay Group' dialog box is open, showing search results for '63E Carlsbad Exception Hourly', '63M Carlsbad Paygroup', and '63P Carlsbad Paygroup'. A blue arrow points from the '63E' result in the dialog box to the 'Pay Group' field in the main screen, which is currently set to '63E'.

The **M\_BUDGET\_ACTUALS** query in HCM (p. 8) shows the employee position that is encumbered.



## Pre-Encumbrances

A **pre-encumbrance** is an encumbrance that occurs for a vacant position. You encumber funds for an employee you have on staff; you pre-encumber funds for an employee that you anticipate hiring. For example, you would pre-encumber funds for a new position that has just been approved but not filled.

### Pre Encumbrances Setup

The encumbrance option on the Add/ Update Position screen only applies to positions that are vacant. Therefore, this selection is for Pre-Encumbrances for salary only and is irrelevant once there is an incumbent in that position.

The screenshot displays the 'Add/ Update Position Screen' with the 'Specific Information' tab selected. Key fields include: Position Number 10637630, Headcount Status Filled, Current Head Count 1 out of 1, Effective Date 01/01/1901, and Status Active. The 'Incumbents' section has 'Update Incumbents' and 'Include Salary Plan/Grade' unchecked, while 'Budgeted Position' is checked. The 'Education and Government' section shows 'Pre-Encumbrance Indicator' set to 'No Encumbrance'. A dropdown menu for '\*Encumber Salary Option' is open, listing 'Salary Grade Midpoint', 'Salary Grade Maximum', 'Salary Grade Minimum', and 'Salary Step'. Other fields include 'Calc Group (Flex Service)', 'Academic Rank', and 'FTE 0.000000'. At the bottom, there are buttons for 'Save', 'Return to Search', 'Notify', 'Add', 'Update/Display', 'Include History', and 'Correct History'.

**NOTE:** Because a Salary Step is not entered on the Position, if Salary Step is selected in this drop down, the Pre- Encumbrance will default to \$0.



## Encumbrance Processes

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Four encumbrance processes run in HCM once per month after payroll confirm and expense distribution are complete. These processes including the following items:

1. **Encumbrance Maintenance** –The Encumbrance Maintenance process updates the Encumbrance Definition for Monthly and Exception Hourly Paygroups with deduction and tax amounts and ChartStrings from the current payroll run. This process also updates the Encumbrance Definition with additional earnings amounts and ChartStrings that need to be encumbered (e.g. Auto Allowance, Café-Plan Cash, Expense Allowance, etc.) from the current payroll run.

**NOTE:** The Encumbrance Maintenance process looks at the current payroll. Until a position is filled and paid, the Encumbrance Maintenance won't create/update the Encumbrance Definition, it will remain blank (not pre encumber). Example: April 30<sup>th</sup> payroll confirm. The Encumbrance Maintenance process looks at the April 30<sup>th</sup> payroll and updates the Encumbrance Definition pages. If you have an employee that starts mid-month in March, all encumbrances for the remainder of the year for that employee will not appear until payroll distribution and encumbrance processes are complete.

2. **Encumbrance Calculation** – The Encumbrance Calculation calculates encumbrances and pre-encumbrances based on changes in HCM and the current payroll run. The delivered calculation is based on 261 workdays in a year. The salary encumbrance calculation is workdays remaining in the year divided by 261 multiplied by the annual salary. This same methodology is applied to taxes and deduction.
3. **Encumbrance GL Interface** – encumbrance amounts for pay groups xxM and xxE are sent to Finance Commitment Control Ledgers and updated on the HCM Review Budget Actual screen. This process is only run for pay groups xxM and xxE (where xx is the district).
4. **Budget Check** – in Finance these encumbrance transactions are budget checked which updates the Commitment Control Ledgers to update the encumbrance amounts seen on the Budgets Overview page.
5. **Encumbrance Adjustment** – creates encumbrances of equal monthly amounts rather than based on workdays. These adjustments are loaded as an encumbrance journal in Finance and are not reflected in HCM. A report of these adjustments is emailed to districts each month.

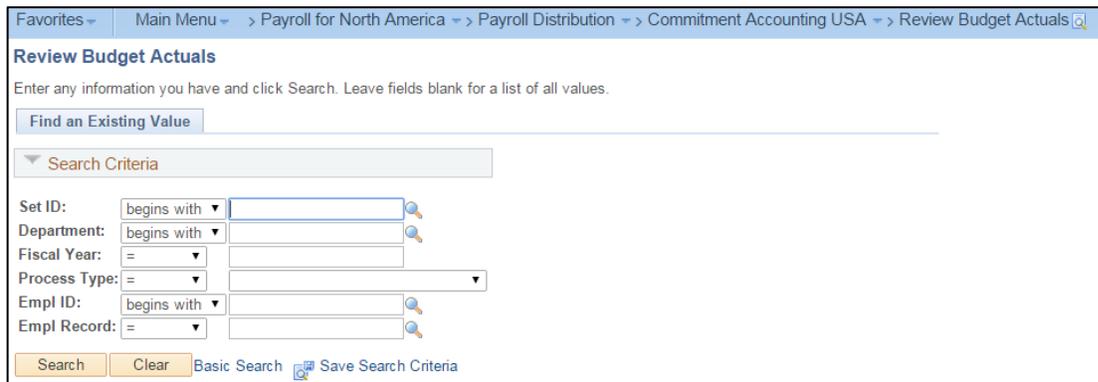
**Encumbrances Setup**

## Viewing Encumbrances

Use the **Review Budget Actuals** screen to view encumbrances by employee. It displays results from the Encumbrance Processes excluding the Encumbrance Adjustment.

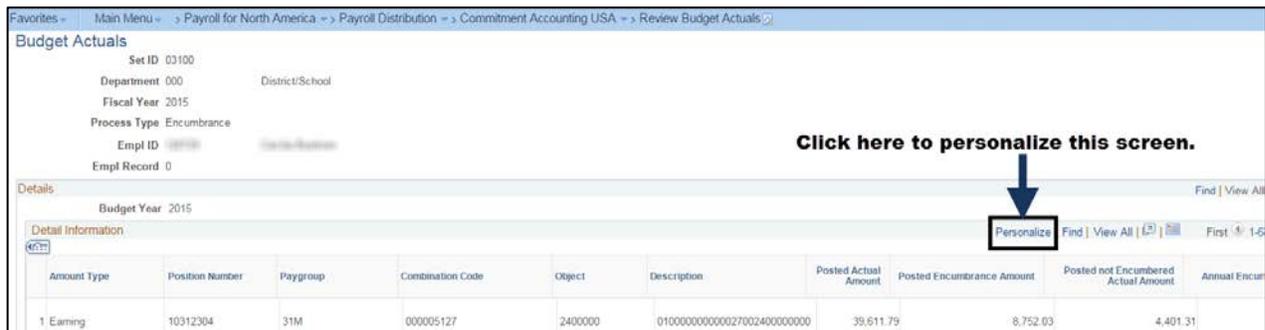
**Navigation:** Main Menu > Payroll for North America > Payroll Distribution > Commitment Accounting USA > Review Budget Actuals.

1. Navigate to **Main Menu > Payroll for North America > Payroll Distribution > Commitment Accounting USA > Review Budget Actuals**.
2. Enter desired search criteria and click **Search**.



Before you begin, personalize the columns on **Budget Actuals Screen**. This will make it easier to see all the relevant fields at a glance.

3. Click **Personalize**, the link at the top-right of the grid.



**Click here to personalize this screen.**

Amount Type	Position Number	Paygroup	Continuation Code	Object	Description	Posted Actual Amount	Posted Encumbrance Amount	Posted not Encumbered Actual Amount	Annual Encur
1 Earning	10312304	31M	000005127	2400000	010000000000027002400000000	39,611.79	8,752.03	4,401.31	



4. On the Personalize Column and Sort Order screen, set up the columns as shown below by doing the following:
  - Click an item in the **Column Order** list so it is highlighted.
  - Click the **up/down arrow** to arrange the order.
  - You will need arrange and hide some tabs and columns. Click **Hidden** to hide a column/tab.
  - Continue doing this until all of the tabs/columns look like the arrangement shown here.
5. If desired, click **Preview** to see what the new tab/column arrangement will look like.
6. Click **OK**.

**Personalize Column and Sort Order**

To order columns or add fields to sort order, highlight column name, then press the appropriate button.  
Frozen columns display under every tab.

**Column Order**

- Tab Budget Information (frozen)
- Commitment Control Document ID (hidd
- Commitment Control Line Number (hidd
- Amount Type (frozen)
- Position Number
- Position Pool ID (hidden)
- Job Code Set ID (hidden)
- Job Code (hidden)
- Company (hidden)
- Paygroup
- Tab Combination Code (hidden)
- General Ledger Unit (hidden)
- Combination Code
- ChartField Details (hidden)
- Object
- Description
- Tab Awaiting Posting Amounts (hidden)
- Work Actual Amount (hidden)
- Work Encumbrance Amount (hidden)
- Tab Posted Amounts
- Posted Actual Amount
- Posted Encumbrance Amount
- Posted not Encumbered Actual Amount
- Annual Encumbered Amount

**Sort Order**

Hidden

Frozen

Descending

OK Cancel Preview Copy Settings Share Settings Delete Settings

**Recommended column order for Earnings Distribution:**

- Amount Type
- Position Number
- Paygroup
- Combination Code
- Object
- Description
- Posted Actual Amount
- Posted Encumbrance Amount
- Posted not Encumbered Actual Amount
- Annual Encumbered Amount

- On the **Budget Actuals** screen, click the Show All Columns icon to display all columns.
- Click **View All** to display all lines.

Favorites ▾ Main Menu ▾ > Payroll for North America ▾ > Payroll Distribution ▾ > Commitment Accounting USA ▾ > Review Budget Actuals 🔍

### Budget Actuals

Set ID 03100  
 Department 000 District/School  
 Fiscal Year 2015  
 Process Type Encumbrance  
 Empl ID 10000  
 Empl Record 0

**This displays all lines**

Details Find View All First 1 of 1 Last

Budget Year 2015

Detail Information Personalize Find View All 1-6 of 6 Last

Budget Information Posted Amounts  **Click to show all columns**

Amount Type	Position Number	Paygroup	Combination Code	Object	Description
1 Tax	10311198	31M	000003469	3501000	016500000577011203501000000
2 Tax	10311198	31M	000003521	3321000	016500000577011203321000000
3 Deduction	10311198	31M	000003359	3601000	016500000577011203601000000
4 Deduction	10311198	31M	000003450	3111000	016500000577011203111000000
5 Deduction	10311198	31M	000005114	3401000	016500000577011203401000000
6 Earning	10311198	31M	000005217	1100000	016500000577011201100000000

Return to Search Previous in List Next in List Refresh

Below is an example of how it will display.

Detail Information Personalize Find View All 1-6 of 6 Last

Amount Type	Position Number	Paygroup	Combination Code	Object	Description	Posted Actual Amount	Posted Encumbrance Amount	Posted not Encumbered Actual Amount	Annual Encumbered Amount
1 Tax	10311198	31M	000003469	3501000	016500000577011203501000000	12.69	3.78	8.30	16.47
2 Tax	10311198	31M	000003521	3321000	016500000577011203321000000	270.82	129.05	235.92	399.87
3 Deduction	10311198	31M	000003359	3601000	016500000577011203601000000	829.51	150.47	5.82	979.98
4 Deduction	10311198	31M	000003450	3111000	016500000577011203111000000	3,701.66	671.48	25.98	4,373.14
5 Deduction	10311198	31M	000005114	3401000	016500000577011203401000000	7,711.16	1,299.38	0.00	9,010.54
6 Earning	10311198	31M	000005217	1100000	016500000577011201100000000	41,685.82	7,561.79	292.56	49,247.61

**NOTE:** Encumbrances are based on the most recent payroll.



## Clearing Encumbrances

Although issue details are often unique for each district, below are some of the general questions/issues that have been reported along with solutions and tips found for those questions/issues. This is not a list of all the questions/issues, but a few of the more common ones.

Question/Issue	Solutions/Tips
<b>Position is encumbering a small amount.</b>	Verify that the standard hours are correct on the Add/ Update Position and Job Data screens.
<b>Pre-encumbrances are not cleared after position is inactivated.</b>	To clear pre-encumbrances for inactive position the DBT must also be inactivated for that position.
<b>Positions not encumbering.</b>	There are various solutions, but common ones include Missing DBT entry for the position. Department Setup needs the flag turned on (check box checked) for Use Encumbrance Processing. Employee/position not in xxM or xxE pay group.
<b>Pre-encumbrances show in Finance Commitment Control but not on the HCM Query M_BUDGET_ACTUALS.</b>	This issue is still being researched.



# M\_BUDGET\_ACTUALS Query

M\_BUDGET\_ACTUALS lists encumbrances and pre-encumbrances by employee/position. The current version allows you to find inactive positions with encumbrances or pre-encumbrances in HCM.

**Navigation:** Main Menu > Reporting Tools > Query > Query Viewer

## M\_BUDGET\_ACTUALS

Enter the search criteria. Remember that % can be used as a wildcard to return all values. Click **View Results**. These results are for Employee 284453. The column labeled "Posted Encumbrance Amount" shows the amount encumbered for the remainder of the year, and the chart field columns show where it was encumbered. This will match what you see in Finance.

M\_BUDGET\_ACTUALS - List details of encumb data

Company: 099  
 Fiscal Year: 2016  
 Fund %: %  
 Resource %: %  
 Goal %: %  
 Function %: %  
 Object %: %  
 Site %: %  
 Oper Unit %: %  
 Proj Year %: %  
 Empl ID %: 284453  
 Position Nbr %: %

[View Results](#)

Download results in : [Excel Spreadsheet](#) [CSV Text File](#) [XML File \(11 kb\)](#)

View All First 1-19 of 19 Last

Year	Budget Year	ID	Empl Record	Display Name	Position	Posn Dept ID	Enc Rec Type	Co	Group	Posted Actual Amount	Posted not Encumb Actual Amt	Posted Encumbrance Amount	Annual Enc	Enc Date	Fund	Resource	Goal	Function	Object	Site	Oper Unit	Proj Year
1	2016	2016	0			300	Encumber Salary	099	99M	50998.60	6351.02	19439.36	70437.96		0100	0000360	8600	7700	2400000	300		
2	2016	2016	0			300	Encumber Tax	099	99M	0.00	0.00	0.00	0.00		0100	9999000	0000	0000	7999003	000		
3	2016	2016	0			300	Encumber Deduction	099	99M	0.00	0.00	0.00	0.00		0100	9999000	0000	0000	7999002	000		
4	2016	2016	0			300	Encumber Tax	099	99M	3152.49	390.84	1208.16	4360.65		0100	0000360	8600	7700	3312000	300		
5	2016	2016	0			300	Encumber Tax	099	99M	737.27	91.40	282.55	1019.82		0100	0000360	8600	7700	3322000	300		
6	2016	2016	0			300	Encumber Tax	099	99M	25.61	3.18	9.72	35.33		0100	0000360	8600	7700	3502000	300		
7	2016	2016	0			300	Encumber Deduction	099	99M	875.86	108.60	347.70	1223.56		0100	0000360	8600	7700	3602000	300		
8	2016	2016	0			300	Encumber Deduction	099	99M	563.42	69.86	223.67	787.09		0100	0000360	8600	7700	3712000	300		
9	2016	2016	0			300	Encumber Deduction	099	99M	656.64	82.08	248.75	905.39		0100	0000360	8600	7700	3752000	300		
10	2016	2016	0			300	Encumber Deduction	099	99M	4413.50	541.69	1722.40	6135.90		0100	0000360	8600	7700	3402000	300		
11	2016	2016	0			300	Encumber Deduction	099	99M	8779.52	1101.71	3372.14	12151.66		0100	0000360	8600	7700	3212000	300		
12	2016	2016	0			300	Encumber Salary	099	99M	0.00	412.20	0.00	0.00		0100	0904611	8600	7700	2400103	600		
13	2016	2016	0			300	Encumber Tax	099	99M	0.00	25.38	0.00	0.00		0100	0904611	8600	7700	3312000	600		
14	2016	2016	0			300	Encumber Tax	099	99M	0.00	5.94	0.00	0.00		0100	0904611	8600	7700	3322000	600		
15	2016	2016	0			300	Encumber Tax	099	99M	0.00	0.21	0.00	0.00		0100	0904611	8600	7700	3502000	600		
16	2016	2016	0			300	Encumber Deduction	099	99M	0.00	7.05	0.00	0.00		0100	0904611	8600	7700	3602000	600		
17	2016	2016	0			300	Encumber Deduction	099	99M	0.00	4.53	0.00	0.00		0100	0904611	8600	7700	3712000	600		
18	2016	2016	0			300	Encumber Deduction	099	99M	0.00	67.19	0.00	0.00		0100	0904611	8600	7700	3212000	600		
19	2016	2016	0			300	Encumber Salary	099	99M	0.00	222.00	0.00	0.00		0100	0000360	8600	7700	2400103	300		