Multi Year Encumbrance

Anita Ng
Sue Jennings

09:30 to 10:30
August 6, 2009
Meeting Goals

- Introductions
- Things to Know Before you get Started
- Functions of Multi-year Encumbrance
- Finance Set-Up
- Human Resource Set-Up
- Questions
Introductions
Things to know before you get started

- Dependent on the Grants module
- Only uses the system calculated method of salary encumbrances
- Only uses encumbrance recasting - does not work with the payroll liquidation method
- The encumbrance value will be updated on the NBAJOBS record, not the NBAPBUD record
- Only active jobs in the active fiscal year will be included in the calculation
What it Does

1. Grabs information
2. Checks out dates
3. Calculates with information from rule forms
4. Posts Results
How it Does it

- For active jobs as of the date used in NBPENCM for the recast date

- Current encumbrance = assigned salary * number of pays left in current fiscal year

- Future encumbrance = assigned salary * number of pays left in future fiscal year(s)

- Future fiscal year =
  - fiscal years have been created on FTMFSYR and NBAFISC with
  - an end date equal to or after the grant period end date and
  - a begin date equal to or before the grant period start date

  - pay periods on PTRCALN have been created with
  - an end date equal to or after the grant period end date and a begin date equal to or before the grant period start date

- The future fiscal year can be ended early with the Encumbrance Override end date on NBAJOBS
NBPENCM: Encumbrance Maintenance Process

Looks at:

- Recast Date (NBPENCM)
- Job end Date (NBAJOBS)
- Contract End Date (NBAJOBS)
- Grant Budget Period End Date (FRMFUND)
- Grant Project Period End Date (FRAGRNT)
- Fund Termination Date (FTMFUND)
- Encumbrance Override End Date (NBAJOBS)
- Fiscal Year End Date (NBAFISC)
- Payroll Calendar (PTRCALN)
- Position Control Installation Rules (NTRINST)
NBPENCM: Encumbrance Maintenance Process

- Determine Encumbrance Calculation Begin Date
  - Fiscal Year Begin Date (NBAFISC)
  - Job Begin Date (NBAJOBS)
  - Contract Begin Date (NBAJOBS)
  - Recast Date (parameter for NHPENCM)
NBPENCM: Encumbrance Maintenance Process

Determine Encumbrance Calculation End Date

Earliest of

- Job End Date (NBAJOBS)
- Contract End Date (NBAJOBS)
- Grant Budget Period End Date (FRMFUND)

- Fund Termination Date (FTMFUND)
- Encumbrance Override End Date (NBAJOBS)
- Payroll Calendar End Date (PTRCALN)

- Grant Project End Date (FRAGRNT)
- Fiscal Year End Date (NBAFISC)

If both the FRMFUND budget end date and the FRAGRNT project end date are null, the system will calculate only the Active fiscal year encumbrance.
Finance Extract Process
NHPFIN1

- Does it’s normal stuff and adds items numbers:
  0  current salary
  1  Current fringe
  2  Current residual
  3  Future salary
  4  Future fringe
  5  Future residual
Example 1: Simple

Job start date: 07/01/2009
Pay Periods: Monthly payroll/12
Paid per month $5000
Distribution: 07/01/09 100% grant

Grant Period: 07/01/09 to 9/30/2012

NBPENCM/Recast Date: 07/01/2009

Current fiscal year encumbrance: 12 pay periods * $5,000 = $60,000
Future fiscal year encumbrance: 27 pay periods * $5,000 = $135,000
Example 2: Change in FOAPAL

Job start date: 07/01/2009
Pay Periods: Monthly payroll/12
Paid per month $5000
Distribution:
- 07/01/09 100% department
- 03/01/10 100% grant
- 08/01/10 100% department

Grant Period: 10/01/09 to 9/30/2012

NBPENCM Recast Date: 10/01/2009

Current Fiscal Year Encumbrance:
- $25,000 to department FOAPAL
  10/01 to 02/28 = 5 pay periods * $5000
- $20,000 to grant
  03/01 to 06/30 = 4 pay periods * $5000

Future Year Encumbrance:
- $5,000 to grant
  07/01 to 07/30
  1 pay periods * $5000
## Example 3 – Override End date

<table>
<thead>
<tr>
<th>Job start date:</th>
<th>07/01/2009</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pay Periods:</td>
<td>Monthly payroll/12</td>
</tr>
<tr>
<td>Paid per month</td>
<td>$5000</td>
</tr>
<tr>
<td>Distribution:</td>
<td>07/01/09   100% department</td>
</tr>
<tr>
<td></td>
<td>10/01/09   100% grant</td>
</tr>
<tr>
<td>Grant Period:</td>
<td>10/01/09 to 9/30/2012.</td>
</tr>
<tr>
<td>NBPENCM Recast Date:</td>
<td>10/01/2009</td>
</tr>
<tr>
<td>Encumbrance override date:</td>
<td>09/30/2010</td>
</tr>
</tbody>
</table>

### Current Fiscal Year Encumbrance:
- $45,000 to department FOAPAL
- 10/01 to 06/30
- 9 pay periods * $5000

### Future Fiscal Year Encumbrance:
- $15,000 to grant
- 07/01 to 09/30
- 3 pay periods * $5000
Special Features

- Deferred Pay
- What happens with missing values on fiscal year or calendars
- Included in Salary Planner
- Included in EPAF processing
- Impacted by Faculty Load and Compensation
Finance Set Up

FTMFSYR
Set up all fiscal years in the grant period

FTMFTYP
Set up multi-year encumbrance by fund type

FRAGRNT
Set up grant record

FTMFUND
Link grant to fund

FRMFUND
Enter Grant Budget Period Start and End Dates

Multi-year encumbrance indicator defaults from fund type when creating new fund
Finance Form Changes

New field: Encumber Multi Year Labor
- **FTMFTYP**: Fund Type Maintenance Form
  - Script included with 8.0 release to update existing fund type records
- **FTVFTYP**: Fund Type Validation Form
- **FRMFUND**: Research Accounting Fund Maintenance
  - Script included with 8.0 release to update existing fund records

New fields: Grant Code and Grant Title
- **FTVFUND**: Fund Code Validation Form

New field: Roll HR Labor Encumbrance Process (FGRLENC)
- **FGAYRLM**: Year End Maintenance Form
Finance Form/Process Changes - continued

New edits: Project Date Changes on FRAGRNT
• FRPGINF: Grant Interface Process
• FRAGRNT: Grant Maintenance Form
  – Notified that similar changes may be needed on FRMFUND

New fields: Encumber Multi Year Labor, Encumbrance Period, and Status
• FGIENCD: Detail Encumbrance Activity Form
• FXIENCD: Archive-Detail Encumbrance Activity
New Finance Form

- **FRIFUND**: Research Fund Inquiry Form
  - Based on FRMFUND records
    - Some FTMFUND future-dated records may not display
  - Intended for users that do not otherwise have access to Banner Finance maintenance forms
  - Includes data from FRMFUND, FTMFUND and FRAGRNT

<table>
<thead>
<tr>
<th>FRMFUND</th>
<th>FTMFUND</th>
<th>FRAGRNT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chart</td>
<td>Fund Title</td>
<td>Grant Title</td>
</tr>
<tr>
<td>Fund Code</td>
<td>Effective Date</td>
<td>Project Start Date</td>
</tr>
<tr>
<td>Encumber Multi Year Labor</td>
<td>Termination Date</td>
<td>Project End Date</td>
</tr>
<tr>
<td>Effective Date</td>
<td>Expenditure End Date</td>
<td></td>
</tr>
<tr>
<td>Termination Date</td>
<td>Grant Code</td>
<td></td>
</tr>
<tr>
<td>Budget Period Start Date</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Budget Period End Date</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
New/Revised Finance Processes

• New Process
  – Roll Labor Encumbrances Process (FGRLENC)
    • Can be run anytime after last day of old fiscal year
    • Not dependent on other Finance year end processes
    • Ignores roll parameters on FTMCOAS (except rule code)
    • Does not roll budget with encumbrance
    • Starting document number on FGAYRLM must begin with PR
    • Processes only HR labor encumbrances
      – Identified by PR encumbrance number
    • Process is optional if Multi-Year Labor Encumbering is not used
    • Performs various tasks
      – Close current HR labor encumbrances in current year
      – Roll forward open future HR labor encumbrances to new fiscal year
      – Close rolled HR labor encumbrances in new fiscal year
Human Resource Set Up

FTMFSYR
Set up all fiscal years

NBAFISC
Set up all fiscal years

PTRCALN
Set up all pay periods
- Multi year encumbrance
- Populate NHRDIST records

NTRINST
Set indicators for
- Multi year encumbrance
- Populate NHRDIST records

NBAJOBS

Note: If the Feed Future encumbrances indicator on NTRINST is not checked, future encumbrances that are calculated will not be fed to Finance
NBAJOBS detail

- Base Job Record
  - Current encumbrance
  - Future encumbrance

- Job Labor Distribution
  - Encumbrance number
  - Encumbrance sequence
  - Latest recast date
  - Last calculate date
  - Grant/Fund (from FRAGRNT or FTMFUND)
  - Budget start/end date
  - Encumbrance override end date
NBAJOBS Screen Prints

**Base Record**

- Salary Encumbrance
  - Total Encumbrance Hours:
  - Current Fiscal Year:
  - Future Years:
  - Total Encumbrance:

- Total Contract Hours:

**Fringe Encumbrance**

- Current Fiscal Year:
- Future Years:
- Total Encumbrance:

**Labor Distribution Window**

- Effective Date: 01-JAN-2008

<table>
<thead>
<tr>
<th>COA</th>
<th>Index</th>
<th>Fund</th>
<th>Orgn</th>
<th>Account</th>
<th>Program</th>
<th>Activity</th>
<th>Location</th>
<th>Project</th>
<th>Cost</th>
<th>Percent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td></td>
<td>10001</td>
<td>1050</td>
<td>2111</td>
<td>675000</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>100.00</td>
</tr>
</tbody>
</table>

**Encumbrance Information**

- Encumbrance Number:
- Encumbrance Sequence:
- Latest Recast Date:
- Last Calculated Date:

- Fund: 10001 Current Unrestricted-Chanc Ofc
- Budget Start Date: 
- Budget End Date: 
- Encumbrance Override End Date: 
Finance Interface Points with Job Form

- **FTVFUND**: Fund code effective/termination date.
- **FRMFUND**: Budget Period start/end date. If budget dates are blank, then project dates are used.
- **FRAGRNT**:
- **NBAJOBS**
Human Resource Form Changes

Multi-Year Encumbrance fields have been added:

- NBAJOBS: Employee Jobs Form
- PEAESCH: Employee Status Change Form
- NBIJLHS: Labor Distribution Change History Form
- PEIJHIS: Employee Job History Form
### Job Labor Distribution Changes

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Change Reason</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-JAN-2008</td>
<td>Defaulted from Position Labor Distributions.</td>
</tr>
</tbody>
</table>

### Job Labor Distribution Detail

<table>
<thead>
<tr>
<th>Percent</th>
<th>COA</th>
<th>Fund</th>
<th>Orgn</th>
<th>Account</th>
<th>Program</th>
<th>Activity</th>
<th>Location</th>
<th>Project</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>100</td>
<td>1</td>
<td>10001</td>
<td>1050</td>
<td>2111</td>
<td>675000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Capture Date and Time:** 05-AUG-2009 14:07:06

**Encumbrance Number:** PR080001

**Encumbrance Sequence:** 692

**Latest Recast Date:**

**Fund:** 10001 Current Unrestricted-Chanc Ofc

**Encumbrance Override End Date:**

**Encumber Multi Year Labor:**

<table>
<thead>
<tr>
<th>Current Encumbrance</th>
<th>Current Encumbrance to Post</th>
<th>Future Encumbrance</th>
<th>Future Encumbrance to Post</th>
</tr>
</thead>
<tbody>
<tr>
<td>Salary</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Fringe</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Residual</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>
Human Resource Process Changes

• New process:
  – NBPENCM: Encumbrance Maintenance Process
    • To calculate encumbrances separate from budgets

• Modified process:
  – NBPBUDM: Maintenance Process
    • Removed encumbrance calculations
  
  – NHPFIN1: Finance Extract Process
    • Added logic for the future year calculations
Human Resource Query/Report Changes

Query/reporting capability by grant has been added to:

- NHIEDST: Employee Distribution Inquiry Form
- NHIDIST: Labor Distribution Data Inquiry Form
Implementation Tip

Start multi year encumbrance with a new fiscal year encumbrances.

If you implement during a fiscal year, there is a chance that the new encumbrance calculation logic will create a variation in the original encumbrance amount due to rounding differences. This would create a new “to be posted amount”.

For example:
an original encumbrance may have been 19,999.99 and the new encumbrance would be 20,000.01. This would post a two cent encumbrance adjustment amount.
Questions?
Contact Information

Strata Information Group
3935 Harney Street, Suite 230
San Diego, California  92110
619-296-0170
www.sigcorp.com

Sue Jennings        Anita Ng
Sr. Consultant      Sr. Consultant
314-920-1079        719-271-7887
jennings@sigcorp.com ng@sigcorp.com