

# ***About Labor Accounting***

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## ***What is Labor Accounting?***

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Labor accounting is the systematic recording and maintenance of the charges incurred for the compensation or financial support of an individual. These charges or costs are distributed to one or more expense accounts (or project/grants) on an organization's general ledger or bookkeeping system.

The University's Labor Accounting system distributes the costs to project/grants for most regular employees' normal compensation, such as regular 12-monthly salary, faculty 10-month academic year salary and summer salary, and biweekly employee salary. Other forms of employee compensation such as overtime, casual hourly wages, and severance pay are not distributed by Labor Accounting. The accounting information for these types of pay are entered on Time Collection or by Payroll directly.

The Labor Accounting system also distributes the costs for graduate student support such as fellowship stipends, assistantship salaries for instruction and research, and tuition support. Undergraduate and graduate student hourly wages are not distributed by this application. Project/grants for student wages are entered through Time Collection.

For employees, Labor Accounting does not affect the amount or type of a person's pay; that is controlled by the Payroll system. The Labor Accounting system takes what has been paid by Payroll and divides the cost among the project/grants (P/Gs) which have been designated as the source of funding for the salary in that pay period. The designation to fund a salary is called a commitment.

**Note:** A commitment determines the amount to be paid. A distribution establishes where the amount paid is charged.

For graduate student support, the Labor Accounting application can be used to establish the amount and type of support given to a student. Support commitments are entered on Labor Accounting for summer and academic year support. Once a month, a transfer is made of the appropriate monthly amounts and support types from Labor Accounting to Payroll. All taxes and deductions are calculated and accounted for in Payroll. When the support is paid at the end of the month, the Labor Accounting system takes what has been paid by Payroll, and divides the cost among the project/grants that have been designated as the source of funding for an individual's financial aid.

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## What's New?

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The Labor Accounting application has been completely rewritten to include the following new features:

✧ **Security**

- Access to Labor Accounting data is now controlled based on a combination of home department, project/grant, and staff class. Access can be granted for a whole department, or restricted by project/grant or staff class. This allows staff to be granted access to a single project/grant, or a range of project/grants.
- Three access levels have been added to allow staff to maintain Labor Accounting commitment and encumbrance data directly for their projects:
  - Project Approval access allows a staff member to approve changes to a specific project/grant or set of project/grants.
  - Project Input access allows a staff member to enter changes to a specific project/grant or set of project/grants.
  - Project Inquiry access allows a staff member to view commitments and encumbrances for a specific project/grant or set of project/grants.

✧ **Data entry and workflow**

- Both departments and projects can enter and approve Labor Accounting commitment distributions at the project level. This will allow academic centers, institutes, and programs that staff their projects with resources based in other departments to enter changes involving their own projects directly. If necessary, workflow will route the pending change to the appropriate home department for review and approval.

Conversely, if a home department enters a change to a project not owned by the department, workflow will route the pending change to the project for review and approval. This feature, along with the new project access levels, will allow non-home areas to make pending adjustments without having to go through the home department.

- Where it is appropriate for distributions to span academic terms or fiscal years, the system will not require the user to re-enter information. You will be able to specify begin and end dates for a distribution, rather than automatically ending all distributions at the end of a fiscal year. The system will be able to report distributions by fiscal year, by academic term, or by month.
- Access is provided to a graduate student's annual support contract information within Labor Accounting. As an aid to entering or updating annual salary, stipend, and tuition support commitment information for graduate students, you can reference and (optionally) copy stored support data into the pending support. When the department is supporting the student as the student's contract documents specifies, rekeying of the contract information can be avoided. However, when the stored support data is not up-to-date, the stored contract data can be used as a starting point for updating the support. If desired, you can simply reference the contract comment while keying in support data.

Additionally, multiple predefined, standard support configurations (templates) can be used to quickly establish often-used support and standard rates.

- Data for staff or graduate students who transfer between departments can be maintained separately by each department. Access to Labor Accounting records for individuals who have transferred will be controlled by time period. Each department will maintain the records for that person in the time period when the person was assigned to that department.
- Workflow routing for approval of specific changes will allow the owning department or project manager to review and approve or disapprove each change that is proposed and submitted before it goes into effect. Since all changes will be approved by the project owner or manager before becoming effective, any project/grant can be included in a proposed change, thus eliminating the need for exception accounts.
- Key Labor accounting events will trigger email notifications to appropriate project, department, or central administrative staff members. For example, a notice will be sent telling the staff member that a change has been made that requires their approval.

In addition, periodic queries of Labor Accounting data will look for key dates or predetermined combinations of data, and will trigger email notifications to alert department and project staff that commitments exist on recently closed project/grants, or that a milestone has been reached.

- An audit trail will record when changes were submitted, approved, or automatically updated by the system, and who submitted and approved the changes. The audit trail data can be queried, reported, and sorted to provide better information and analysis.

#### ❖ **Updates and Interfaces**

- Information gathered by the Coeus grant proposal process will be made available to the Labor Accounting system. A list of the individuals included in the awarded grant proposal will be available for reference at the time a project is entering Labor Accounting distributions.

If the salary of an individual was previously shared with the non-home project during the proposal process, the current salary amount will be available to the project prior to department approval. Salaries for individuals not listed on the proposal will not be displayed to the project Labor Accounting user until after the home department approves the commitment. Until that time, the project will only enter percentages of Full Time Equivalent (FTE) salary for the individual.

- The Teaching Budget will be available to all academic departments online. The Labor Accounting Teaching Budget Report will include better comparisons between authorized department FTE levels and actual commitment levels.

#### ❖ **Summer Salaries**

Requests to pay faculty summer salaries and the related salary commitments can be entered directly into the Labor Accounting system. At any point during the year prior to the summer period (up to 12 months prior), a department or project can enter and approve faculty summer commitments to projects. Workflow will route the proposed payments for the appropriate approvals. This will generate salary encumbrances on the project which will be displayed on the financial statements for more complete project staffing and salary cost forecasts.

The department/project approved commitments will also be approved by the Office of the Dean of the Faculty (typically in May or June prior to payment), before Payroll can pay the faculty member. The Labor Accounting system will edit for salary limits under the current policy. Before the July and August payrolls, Labor Accounting will send the appropriate monthly payments to the Payroll system. Any approved retroactive payments will be sent to Payroll in subsequent months.

✧ **Distributions**

- Each department can specify default project/grants by Staff Code and Earnings Code, so that distributions are automatically designated to the correct project/grant, thus eliminating some unnecessary data entry. With the distributions defaulting to various appropriate project/grants, some administrative departments would not need to update Labor Accounting unless special circumstances required a distribution to a non-default project/grant.

The default project/grants would also be used in distributing payroll charges that are not committed and for which no specific project/grant has been specified by the department. If a project has “purchased” time related to an individual’s work on the project, the department default would be credited and the project’s project/grant would be charged. This would allow Labor Accounting to process any payroll charge sent by Payroll, and eliminate errors which can hold up the payroll charge distribution process or require the use of the suspense project/grant.

- Distributions for temporary disability will be automatically charged to the appropriate project/grant. For the first 30 days, the temporary disability will continue on the project/grant distribution for regular salary (earnings 001), eliminating the initial charge to *nnn1998*. For staff in academic departments, after 30 days, the commitment distribution will automatically be transferred to the Benefits Pool. After 180 days, the temporary disability commitments will be transferred back to the original project/grant for the department or project, since temporary disability is only available for up to 180 days.

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## **Links With Other University Systems**

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The Labor Accounting system is linked to several other University systems.

The following systems receive data from or send data to the Labor Accounting system:

- PeopleSoft HR
- PeopleSoft SA
- PeopleSoft Payroll
- PeopleSoft University Financials System
- Graduate Student Admissions
- Loans and Receivables/Princeton Receivables
- Operating Expense Budget

These systems are briefly described in the following sections.

### **PeopleSoft HR**

All individuals in the Labor Accounting system must first have records established in the Human Resource Management System (HRMS) database. This establishes the type of employment (full or part time), the staff type (faculty, visiting researcher, biweekly A, etc.), the pay schedule (12 or 10 months, 26 biweekly pays), and in the case of non-students, the level of compensation (FTE salary). Other status information such as leaves with or without pay are also entered in the Human Resource Management system. As changes are made to an employee's or student's status, nightly downloads keep the Labor Accounting database synchronized with the appropriate data in the Human Resource Management system. These changes cannot be made using the Labor Accounting system.

Each person paid or supported by the University is assigned a University identification (EmplID) number, which never changes once it is established. The EmplID number links a person's data in various systems even if their name or social security number changes. The PeopleSoft HR system provides Labor Accounting with each person's data.

## **PeopleSoft Student Administration**

Enrollment status changes in the PeopleSoft Student Administration system for graduate students will be displayed in Labor Accounting. If the status matches what you know, you can match the enrollment events in Labor Accounting to the Student Administration enrollment status. If you know about a change before it is captured in the Student Administration system, you can enter the changes in Labor Accounting, and adjust your commitments accordingly, without waiting for the Student Administration system to catch up.

Data about graduate student contracts is also captured from the Student Administration Graduate Re-Enrollment system.

## **PeopleSoft Payroll System**

Each pay day, the amount that was paid to every individual and the earnings type for each amount are downloaded from Payroll to the Labor Accounting database. Journal voucher entries are generated based on the salary and support distributions stored in Labor Accounting. These journal vouchers are then used as input to University Financials, the University's general ledger system.

Before each monthly payroll, Labor Accounting uploads the amount and type of support for each graduate student based on the commitment levels established and stored in the Labor Accounting database.

## **PeopleSoft University Financials System**

On each payday, the journal vouchers generated by Labor Accounting are uploaded to the PeopleSoft University Financials System (UFS). These journal voucher transactions appear as charges on the Project/Grant Statement (PGS) in the DataWarehouse, and are summarized in the Sponsored Project Report (SPR). These reports are also available monthly as hard copy reports. The charges are summarized by P/G, so no individual salaries or graduate support amounts are displayed on UFS.

When changes are made to commitment distributions retroactively, these changes affect amounts already charged and paid. After each payroll, the Labor Accounting system compares the amounts that were originally charged to the project/grant to the amounts currently authorized. Any differences that are found generate journal voucher entries for retroactive adjustments. These entries deduct year-to-date charges from the original project/grant charged, and add charges to the project/grant now authorized to receive the charges. These journal voucher entries are uploaded to the UFS, and appear on the Project/Grant Statement and Sponsored Project Report.

Starting July 1st, 2003, salary encumbrances and graduate support commitments will be uploaded nightly to the Data Mall, where they will be available for viewing online or for creating PGS and SPR reports.

## ***Operating Expense Budget System***

The Labor Accounting database supplies budget amounts to the Operating Expense Budget system for annual salaries and graduate support. Once a year, after all new salaries and support amounts have been established, budget amounts that are charged to general funds (1xxx project/grants) are uploaded to the Budget system. These amounts, along with non-salary budget amounts, form the basis for the Total Spending Authority appearing in online panels and all reports for any general fund project/grant.

## ***Loans and Receivables/Princeton Receivables***

The Princeton Receivables/Loans & Receivables system bills donors who sponsor graduate students. Labor Accounting drop-down lists are populated based on the donors entered in the Princeton Receivables/Loans & Receivables system. If the Sponsor drop-down list does not include the donor you need, contact the Loans & Receivables Office to add the donor.

## **Graduate Student Contracts**

In June of every year, contract information from the PeopleSoft Student Administration Graduate Re-Enrollment system is loaded into the Labor Accounting Comments page for newly admitted and re-admitted graduate students. You can load the contract information from the Comments into pending data, by clicking the Load Contract button on the Graduate Student Support Summary page. You can then update the information as needed.

Based on the current date, the contract data is loaded into either the budget year or the current year.

***Tip!** Loading contract information into pending data overwrites any data that was already there. If the data is completely incorrect, you can always quit without saving to return to the last saved data.*

## Security and Authorization

The Labor Accounting application uses security features that control your access to people's data. Your Department Chair or Head specifies whose data you may access, generally restricting your access to people in your own department. You might also be restricted to a specific staff class such as faculty or graduate students, or a particular project/grant or set of project/grants. These access restrictions are recorded in your Labor Accounting security profile. If you try to select personnel for whom you are not authorized, the system will not process the selection, and an error message will appear. If you assign a project/grant for which you are not authorized, the person who is authorized for that project/grant will be notified that the distribution requires their approval.

The information in your security profile also tells the system what level of tasks you may perform in the Labor Accounting application. Access levels are described in the following table.

*Table 1: Security Access Levels*

Access level	Description
Project Inquiry	You may see but not change project/grant distributions for authorized project/grants in Labor Accounting.
Department Inquiry	You may see but not change commitment and encumbrance data for authorized departments in Labor Accounting.
Project Input	You may enter and maintain commitment and encumbrance data for authorized project/grants in Labor Accounting.
Department Input	You may enter and maintain commitment and encumbrance data for authorized departments in Labor Accounting.
Project Approval	You may approve commitment and encumbrance data for authorized project/grants in Labor Accounting.
Department Approval	You may approve commitment and encumbrance data for authorized departments in Labor Accounting. All changes must be authorized at the department level.
Central Office Approval	You may approve commitment and encumbrance data at the central office level. Changes to faculty members and graduate students must be authorized at this level.

Your Labor Accounting security profile may restrict you to viewing labor accounting information at the first level, or you may be authorized to make changes for specific project/grants, or for your department. If you work in the Office of the Dean of the Faculty or the Graduate School Office, you might have access that allows you to approve changes at the University central office level.

***Important!*** Labor Accounting data is sensitive data. Never walk away from your computer with Labor Accounting data visible or easily accessible. Use password security on your screen saver, or lock the screen when you must leave your desk.

Your security profile is established with your Labor Accounting ID, based on the security restrictions specified by your Department Chair or Head. See “User Identification,” on page 19 for information on getting a Labor Accounting ID.

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## The Distribution Cycle

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The distribution of salary and graduate support commitments is based on the University's fiscal year. In Labor Accounting, you can edit any of three fiscal years: the most recent past year, the current year, and the up-coming budget year. You can also see, but not edit, the year before the most recent past year.

The amounts for graduate support need to be authorized by the Graduate School office, generally by the third week in each month, so Payroll will have time to edit the taxes and make any year-to-date adjustments. Some months, such as December and June, are on an accelerated schedule since the monthly pay day is the 20th in those months. (The Payroll section of Finance can provide you with an annual schedule, which lists when changes are due in Payroll for each month.)

***Tip!** You can also find this schedule on the PeopleSoft 8 Documentation and Help web site (<http://www.princeton.edu/pshelp>) by selecting [Human Resources Management System \(HRMS\)](#), and then clicking on the Pay Schedules link.*

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## **The Application**

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The Labor Accounting application is designed to provide access through the web (at work or at home) to the information stored in the Labor Accounting database. It allows you to view and maintain the current distributed salary and graduate support commitments and encumbrances by individual and fiscal year.

**Important!** *Labor Accounting data is sensitive data. Never walk away from your computer with Labor Accounting data visible or easily accessible. Use password security on your screen saver, or lock the screen when you must leave your desk.*

Because Labor Accounting is a web-based application that works through your browser, a Labor Accounting session remains active if you navigate away from Labor Accounting in the same browser window. Because your session remains active until you return to Labor Accounting or time out, you should make a practice of opening a separate browser window if you need to check out another web site and then return to Labor Accounting.

Also, as with most browser-based applications, you should not use the browser's Back and Forward buttons within the application. You may be able to return to the page, but the connection to the application may have been lost, which could cause errors when you try to edit the page.

## **Parameters Used to Determine the Current View**

When you work in the Labor Accounting application, you work with a subset of people in the complete personnel roster, called your *current view*. The current view includes the people that you need to review or update, and is based on selections you make on the General Browse or Project Browse page. From the current view, you select one person at a time, and use the other pages to review their data and implement changes. You can select another individual or change your selection criteria to create a new current view at any time during a session.

The selection criteria used to create your current view may include project/grant, department, staff, status, commitment code, and fiscal year or date range. You may also search for vacancies only.

### **Fiscal Year or Date Range**

You must select the desired fiscal year because the application maintains data for the prior year, the current year, and for the next year's budget. You can review and update data for any of the three years.

### **Pending Status**

You can include staff with any status in Labor Accounting, or you can select only the staff who have changes pending departmental authorization, or central office approval.

This search criteria is available only on the General Browse page.

### **Name & Emplid**

You can select an individual, or a group of individuals whose name begins with the same letter(s) by entering all or part of the person's Last and First names, or entering the person's EmplID.

### **Department**

You are generally restricted to your own department. However, if you are authorized to view more than one department, you can select any of those departments to create the current view. If you don't enter a department number, all departments you are authorized to see will be included in the search.

Those with university approval authorization (Dean of Faculty Authorization or Graduate School Authorization) can create a current view that includes faculty or graduate students from all departments. To search a group of departments, or a subset not related to a department, select a division in the *Div* field.

This search criteria is available only on the General Browse page.

### **Staff**

You can include all the staff you are authorized to see in your department in your current view (the default), or you can display only a desired subset, for example, only graduate students, or only technical staff. You can also search staff classes by code, thus limiting your search to graduate exchange students or biweekly staff, for example.

This search criteria is available only on the General Browse page.

### **Commitment Code**

You can include only the staff with a particular commitment code, such as staff with summer salary commitments, or graduate students with a salary commitment for assistance in instruction (AI) for the academic year.

This search criteria is available only on the General Browse page.

### **Project/Grant**

You can include only the staff with distributions for a particular project/grant, a range of project/grants, or all project/grants. You can also search by Primary Investigator or fund, or include only sponsored projects in a particular department.

### **Special**

You can search for only the vacancies within any other specified criteria, for example, vacancies within your department.