Policies and Procedures – Financial Services

Policy 9.3 - Changes and Corrections to Payroll Labor Charges

The current policy at UNCG, which requires a position to be established, classified/designated and sufficiently funded prior to employing an individual for the position, is fundamentally sound. The PD-6, the personnel action form that reflects the funding source for the position, is required to be prepared in advance and approved by the appropriate Provost/Vice Chancellor, the Office of Financial Planning and Budgets, and the appropriate personnel office (Office of the Provost or Office of Human Resources). The fund and account number(s)/funding source must be reflected on the employment personnel action forms. Thus, the funding for every personnel position at UNCG must be approved before an employee is ever hired and paid.

Payroll redistributions caused by funding changes should be rare and, generally, should only occur due to actions by some external agency (e.g., the federal government, the North Carolina legislature, the UNC Board of Governors). However, there will be instances where changes are necessary due to personnel actions initiated by internal management.

Once sufficient funding has been secured and approved for a position, and the employee has been properly paid from the approved funding source, any changes in funding may require the redistribution of prior months’ labor and benefit charges. If this is a temporary change in funding for prior month(s) and does not involve current or future charges to labor, the BHR-Payroll Labor Redistribution Form will need to be completed, approved, and submitted to the Payroll Department. The redistribution will be entered by Payroll personnel based upon the BHR-Payroll Labor Redistribution Form submitted by the employing department head/dean, and approved by the appropriate Provost/Vice Chancellor, the Office of Financial Planning and Budgets, Contracts & Grants (if necessary) and the appropriate personnel office.

Disbursement of state and federal funds must be in accordance with applicable laws, rules and regulations. In order to avoid any audit findings related to the misuse of state or federal funding, the BHR-Payroll Labor Redistribution Form must be prepared by the employing department within thirty days of the effective date of the funding notification. If applicable, revised Time and Effort Reports should be submitted to the Office of Contracts and Grants within thirty days of the funding notification.

REQUEST FOR ASSUMPTION OF RISK

Policy
This policy defines the general parameters through which a PI, Department, Unit or the Associate Provost for Research and Public/Private Sector Partnerships (APRPPSP) might assume financial risks associated with sponsored research or projects prior to the receipt of a formal award or fully executed agreement or prior to the receipt of continuation support for multi-year projects; sets forth the necessary administrative review process and designates who, within the University, authorizes an assumption of risk (AOR).

Definition
Externally sponsored programs frequently have start dates that precede the finalization or receipt of formal award documents or agreements. When beginning on time is of the essence or when an account number is required to initiate the development of position descriptions and job announcements, the PI can request an AOR. The AOR authorizes the establishment of a restricted funds account from which the PI may make expenditures for 1-3 months.
The AOR can be requested for:
- Preaward expenditures
- New Awards
- The period between the end date of a current budget period and receipt of the next increment of funds or the formal extension of the end date for multi-year projects. If IRB or IACUC approval is pending, AORs will only be approved for the portion of proposed awards that does not require IRB/IACUC approval.

**Administrative Review**
AOR requests must be reviewed and approved by the Office of Sponsored Programs (OSP), the Office of Contracts and Grants (C&G), and the APRPPSP.

**PROCEDURE**
The AOR request package consists of:
- The AOR request form located at [http://www.uncg.edu/rss/forms/AORPolicy.pdf](http://www.uncg.edu/rss/forms/AORPolicy.pdf)
- An itemized budget for the period requested (1-3 months)
- Supporting documents/correspondence

The complete AOR request package is submitted to the Office of Sponsored Programs for Administrative Review.
- Print out the form
- Include copies of correspondence from sponsor and detailed budget for
- period of AOR (not to exceed 3 months)
- Submit form and documentation to OSP
  - OSP reviews, makes recommendation, and submits to C&G
  - C&G reviews, and makes recommendation, and returns to OSP
  - OSP submits AOR to APRPPSP
- APRPPSP reviews and makes decision to approve or deny
- Completed form is returned to OSP
- Copy of AOR decision is sent to PI
  - If approved, the AOR is submitted to Contracts and Grants and a fund number can be assigned. The PI will be notified when this is done.

Voided items are not eligible for redistribution.
Procedure –
Redistributing Labor and Benefit Charges Due to Funding Changes and Corrections

Departments will need to submit a BHR-Payroll Labor Redistribution Form to the Payroll Department in order to secure a temporary redistribution of funds involving a prior period ONLY. This form can be found on the following website:  https://payroll.uncg.edu/formsinformation/. If a Personnel Action Form has been submitted for labor changes for prior periods AND future periods, the Payroll Department will redistribute labor and benefit charges based on the information contained in Personnel Action Form. See Financial Services Policy 9.3-Changes and Corrections to Payroll Labor Charges.

If the redistribution is past the thirty day period, accompanying this form should be a letter from the department head/department chair formally requesting the Payroll Department to redistribute the funds with an explanation as to the cause for the late funding change as well as the period the funds will have to be redistributed. Associated benefit charges do not need to be entered on the BHR-Payroll Labor Redistribution Form. The benefit charges will be calculated and redistributed by the BannerHR System based on the new labor distribution.

The following is a detailed explanation as to how to complete the BHR-Payroll Labor Redistribution Form.

1. Enter the Banner ID# of the employee for which the redistribution will occur.
2. Enter the unique Position#-Suffix combination that identifies the Job ID for which the redistribution will occur.
3. Enter the Employee Name beginning with Last, First and then Middle Initial.
4. Enter the Effective Begin Date of the labor redistribution.
5. Enter the Effective End Date of the labor redistribution.
6. Under the heading OLD Earnings Labor Distributions, enter the following information based on the pay period in which the employee was paid:
   - Amount per FOAPAL
   - Index
   - Fund
   - Orgn
   - Account
   - Program
   The percent will be calculated on the form.

7. Under the heading NEW Earnings Labor Distributions, enter the following information based on the pay period in which the redistribution will occur:
   - Amount per FOAPAL
   - Index
   - Fund
   - Orgn
   - Account
   - Program
   The percent will be calculated on the form.

8. All required signatures must be on the form when the form reaches the Payroll Department. If all signatures are not on the form, the form will be returned to the submitting department.