



Document Number	Payroll Procedure 3 Redistributing Labor and Benefit Charges
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Related Policies and Procedures	Payroll Policy 3 Changes and Corrections to Payroll Labor Charges Contract and Grant Accounting Policy 13 Certification of Effort Reporting Contract and Grant Accounting Procedure 13P Certification of Effort Reporting

1. Purpose/Introduction

This document describes the process to be followed to request a change in the fund to be charged for payroll charges and to redistribute charges previously processed.

2. Definitions

Payroll labor redistributions are corrections or changes made to the fund to which a payroll charge is made, after the original charge has been recorded.

3. Procedural Steps

After 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 month's labor and benefit charges.

External Agency Imposed Changes in Funding (e.g. Federal Government, North Carolina Legislature, UNC Board of Governors)

Appropriate personnel action must be prepared, submitted and approved in advance of the effective date for changes in funding made or imposed by external agencies.

- In the event that an external agency makes funding changes *retroactively*, appropriate PD/EAF forms must be prepared, submitted and approved on or before the established payroll due date for the next monthly payroll.
- The effective date of the changes in funding must be reflected on the PD/EAF forms so that retroactive adjustments in the distribution of prior months' labor and benefit charges (also referred to as redistributions) may be made by the Payroll Office personnel.
- Redistributions will be permitted for all pay periods beginning with the effective date of the funding change and the date of notification from the external agency. (Note: State funds will not be redistributed prior to July of any given fiscal year).
- The Department Head and Principal Investigator must make corrections and submit revised Time and Effort reports to the Office of Contracts and Grants for all periods affected by the retroactive changes related to Contracts and Grants.

Internally Mandated Changes in Funding and/or Positions

Appropriate personnel action forms must be prepared, submitted and approved in advance of the effective date for changes in funding that are made or imposed by internal management.

- In the event that internal management makes funding changes *retroactively*, appropriate PD/EAF forms must be prepared, submitted and approved on or before the established payroll due date for the next monthly payroll. A written explanation should accompany the PD/EAF forms to provide an appropriate explanation, sufficient to pass the external audit test, as to why the change in labor distribution is being made. Because paying for labor charges from the wrong funding source could result in audit findings (especially if repetitive), it is important for the department head to take the responsibility for submitting the correct paperwork in the first place and by the deadlines.
- The effective date of the changes in funding must be reflected on the PD/EAF forms so that retroactive adjustments in the distribution of prior months' labor and benefit charges (also referred to as redistributions) may be made by Payroll Office personnel.
- Redistributions should not be submitted for any period more than 30 days prior to, or subsequent to, the effective date of the change.
- The Department Head and Principal Investigator must make corrections and submit revised Time and Effort reports to the Office of Contracts and Grants for all periods affected by the retroactive changes.

Assumption of Risk Policy

Occasionally formal notice of a new award or continued award can be delayed. In some cases when the probability of funding is clearly established, it is in the best interests of the investigators and UNCG to either initiate or continue the work before the formal notice arrives. To accomplish this, one can request that the Vice Chancellor for Research and Engagement assume the risk for the funding.

Please refer to the policy guidelines and request form provided by the [Office of Sponsored Programs](#).

Correction of Errors

It is recognized that the growth of the University's employee base, together with the surge in contract/grant activity and acquisition of other external funding, has contributed greatly to the volume of personnel forms prepared and submitted for action. Despite the best efforts of departmental and unit personnel who prepare and process PD/EAF forms, it is recognized that an error-free environment is unrealistic.

If the error was made by the originating department/office:

- Revised PD/EAF forms must be prepared, submitted and approved for corrections to the labor and benefit distribution charges.
- These forms must be submitted in accordance with established payroll deadlines so that the correction can be made during the next scheduled payroll cycle.
- If applicable, revised Time and Effort Reports should be submitted to the Office of Contracts and Grants for the affected month.

If the error was made by an office other than the originating office:

- Written notification (email is permissible) must be made by the Banner fund holder to the Payroll Office by the end of the month following the month in which the payroll error was made.
- This notification must be submitted in accordance with [established payroll deadlines](#) so that the correction can be made during the next scheduled monthly payroll cycle.

Reporting

An MTD AND FYTD Salary Expenditures Report (FWRWLBFY) will be generated from Banner and posted on a monthly basis to each Banner fund. The report can be viewed on ePrint.

The Banner HR report will reflect all labor and benefit charges that are reflected in summary form on the Banner report. The charges will be reflected in detail by employee and position number.

Each Banner fund holder should utilize the Banner HR report to verify the accuracy of salaries and benefits charged to his/her Banner fund.

NOTE: Additional detail is provided below.

One-Time Changes

If the need for redistributing charges reflects a change to a past payroll(s), and does not involve current or future changes, the [BHR Payroll Labor Redistribution](#) Form should be completed, approved and submitted to the Payroll Department.

Permanent Changes

If the need for redistributing charges reflects a permanent change to the funding source (labor changes for prior periods AND future periods using LABO2 EAPF), the Payroll Department will redistribute labor and benefit charges based on the information contained in the Personnel Action Form. See [Payroll Policy 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 addressed to the University Assistant Controller, 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 need 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 Banner HR 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 (1st day of the month).
5. Enter the Effective End Date of the labor redistribution (last day of the month).
6. Under the heading OLD Earnings Labor Distributions, enter the following information based the pay period in which the employee was paid:

You will need to enter this information for all FOAPs the employee was paid on this Job (unique Position/Suffix combination)

Amount (per FOAPAL) Index Fund Orgn Account Program

***(Activity code is needed for Moss Street Charges Only)**

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:

You will need to enter this information for all FOAPs the employee's labor is to be redistributed to (unique Position/Suffix combination)

Amount (per FOAPAL) Index Fund Orgn Account Program

***(Activity code needed for Moss Street Charges Only)**

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 (with exception of Chancellor/Vice Chancellor and appropriate HR Department which are not required).

Responsibility for Processing Redistributions

The Payroll Office will be responsible for processing labor redistributions prior to the next payroll being run, subject to receipt of appropriate documentation supporting the changes in funding by the established due dates.

4. Forms, Tools, Etc.

[BHR Payroll Labor Redistribution Form](#)
[payroll deadlines](#)

5. Revision Table

Revision #	Section #	Summary of Changes	Approval Date
1	3	Letter from department head/department chair addressed to Controller, changed to Assistant Controller	June 1, 2022