# FINANCIAL INFORMATION SYSTEM

Managing
Payroll in FIS



### **Agenda**



- Review Flow of Information Between HRIS and FIS
- > Payroll (i.e. HRIS) Information Reported in FIS Reports
- Features of the Excel Download View of the Payroll Distribution Report
- Breakdown of FIS Payroll Postings (via Excel Download of Payroll Distribution Report)
- Reconciling Payroll Distribution Report to FIS Account Details via Monthly Statement of Accounts Report
  - Actuals
  - Reserves
- Understanding Calculation of Payroll Reserves
- Detecting and Troubleshooting Payroll Errors

### Review flow of information between **HRIS** and **FIS**



When updating an HRIS record with FIS coding, HRIS will verify whether the coding is valid by checking FIS Master Data Tables.

#### HRIS:

Employee/ Contractor information, FIS coding information

When the payroll program is run, FIS receives payroll posting and reserve information. Funds Availability checking is done at this point.

### FIS:

FM/CO/FI master data information

### Review flow of information between HRIS and FIS (cont'd)



- In HRIS, a batch payroll entry is created to post the pay transactions to FIS (i.e. transactions that are Entered by PROCNTL
- Posting of this batch entry results in the following events in FIS:
  - ✓ Existing payroll reserves are released (monthly pay run only).
  - ✓ Payroll payment data (actual salary and standard benefit costs) are posted.
  - ✓ Payroll reserve amount is set up in the FM account (monthly pay run only).

**NOTE:** Actuals will be posted to the FIS accounts listed within the HRIS records, irrespective of whether there are sufficient funds; the only exception to this rule, is when the Fund date is in the past, indicating that the fund is closed for further postings; the payroll entry is then redirected to the CFC listed on the HRIS record.

## Payroll (i.e. HRIS) Information Reported in FIS Reports



### FIS reports containing Payroll details include:

### Payroll Distribution Report

- provides the financial details of the bi-weekly/monthly payroll postings (actual payroll payments, benefit costs and calculated payroll reserve amounts) for each UofT employee, summarized and subtotalled by G/L and FIS account (CFC, CFC/Fund, Cost Center, etc.)
- provides non-financial payroll information for each UofT employee listed in the report (i.e. position name/number, tenured/non-tenured status, etc.)

### Monthly Statement of Account

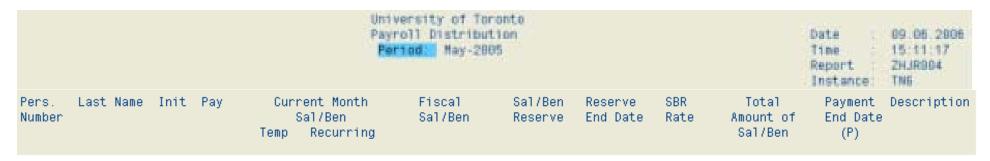
 provides the financial details of the payroll postings (actual payroll payments, benefit costs and posted payroll reserve amounts for each FIS account)

## Payroll (i.e. HRIS) information reported in FIS reports (cont'd)



### Payroll Distribution Report output...

Financial and non-financial payroll information provided in the **on-line** view:



Additional non-financial payroll information provided when accessing the Excel pownload option from the on-line view screen:

Position	Subgroup	Subgroup Desc.	Job	Job Desc.	Contract Type	Contract Type text
3,050.00	F1	Prof Tenure Strm	31.00	Professoriate Tn-Strm	<b>0</b> 1	Continuing
3,050.00	F1	Prof Tenure Strm	31.00	Professoriate Tn-Strm	<b>Ö</b> 1	Continuing

### Features of the Excel Download View of the Payroll Distribution Report



### The Excel download view of the Payroll Distribution report is designed to facilitate data management, in that it:

- ✓ looks similar to other FIS report downloads
- ✓ has Excel's sorting, filtering & summing capabilities
- ✓ provides valuable HRIS information which can be used in the analysis of the financial data, such as the financial commitment to Tenure & Non-Tenured stream employees

### The seven additional fields available in the download view of the Report, which are not available in the on-live view are:

- ✓ Position (Position number assigned to employee)
- ✓ Subgroup & Subgroup Description (Alpha-numeric code identifying employee's staff grouping & description of code, i.e. Prof Tenure Stream, USWA, Hourly, etc.)
- ✓ **Job & Job Description** (Numeric code for the Job group & description of code, i.e. clerk, admin asst, SGS1, etc.)
- ✓ Contract Type & Contract Type Text (Numeric code identifying the employee's appt. type & description of code, i.e. Term, Annual, Continuing, etc.)

### **Breakdown of FIS Payroll Postings**



(via Excel Download of Payroll Distribution Report)

The Excel download version of the Payroll Distribution report allows easy sorting of NON-financial information within G/L and/or funding source, etc.

Example 1 (with hidden fields, subtotalled recurring S&B, and grand total of both):

Α	М	R	U	X	AF	AL	AO	AP
Fund	Cost		EE	Recurr	Recurr		Contract	Contract Type
Center	center	G/L	Name	Sal	Ben	Subgroup Desc.	Type	text
123456	12345	801010	Bert	11,199.83	2,491.96	Prof Tenure Strm	01	Continuing
123456	12345	801010	Earnie	5,122.83	1,139.83	Prof Non Tenure Strm	04	Acad C.L.T.A.
123456	12345	801010	Elmo	6,525.58	1,451.94	Prof Tenure Strm	01	Continuing
123456	12345	801010	Grouch	5,122.83	1,139.83	Prof Non Tenure Strm	04	Acad C.L.T.A.
				27,971.07	6,223.56	34,194.63	4	

Example 1, shows a recurring S&B grand total amount of \$34,194.63.

**Example 2** (same as above, except sorted by "Subgroup Desc." field):

A	M	R	U	X	AF	AL	AO	AP
Fund	Cost		EE	Recurr	Recurr		Contract	Contract Type
Center	center	G/L	Name	Sal	Ben	Subgroup Desc.	Type	text
123456	12345	801010	Earnie	5,122.83	1,139.83	Prof Non Tenure Strm	04	Acad C.L.T.A.
123456	12345	801010	Grouch	5,122.83	1,139.83	Prof Non Tenure Strm	04	Acad C.L.T.A.
				10,245.66	2,279.66	12,525.32	4	
123456	12345	801010	Bert	11,199.83	2,491.96	Prof Tenure Strm	01	Continuing
123456	12345	801010	Elmo	6,525.58	1,451.94	Prof Tenure Strm	01	Continuing
							4	
				17,725.41	3,943.90	21,669.31		
						34,194.63	-	

Example 2, sorted by "Subgroup Desc." allows the breakdown of Non-Tenure Strm (\$12,525.32) vs.

Tenure Strm (\$21,669.31) for the same grand total of \$34,194.63, as in ex. 1.

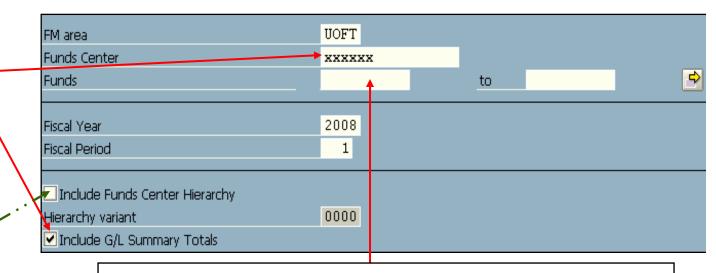
### Reconciling Payroll Dist. Report to FIS acct. details via Monthly Statement of Accts. Report



The **Payroll Distribution Report** is most commonly used to perform reconciliation of payroll charges between payroll entries in HRIS and payroll charges posted to FIS. It can be run by itself, to reconcile the bi-weekly payroll or to view the Excel download of non-financial payroll data, as illustrated on slide 6. Procedural documentation on this report can be found at:

http://finance.utoronto.ca/wp-content/uploads/2015/11/Payrol\_Distribution.pdf .

This example shows the report being run on a single FC and using the "Include G/L Summary Totals" option. Note that it can also be run using a top level FC and can "Include Funds Center Hierarchy".



Enter the fund, if applicable. If left blank, all funds with activity in the month will be included in the report.

**NOTE:** This report can also be run with the Statement of Accounts, as part of the Month-End process (see next slide).

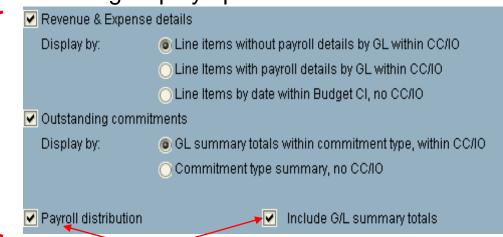
### Reconciling P/R Dist. Report to FIS acct. details via Mnthly Statement of Accts. Report (cont'd)



The FIS report most commonly used for reconciliation and analysis of account activity is the **Monthly Statement of Accounts**. Procedural documentation on this report can be found at: <a href="http://finance.utoronto.ca/wp-content/uploads/2015/11/Statement\_of\_Accounts\_Funds\_Center\_and\_Non-Research.pdf">http://finance.utoronto.ca/wp-content/uploads/2015/11/Statement\_of\_Accounts\_Funds\_Center\_and\_Non-Research.pdf</a>.

**STEP 1:** Run the **Statement of Accounts** selecting "Revenue & Expense details" and "Outstanding Commitments" with the following display options:

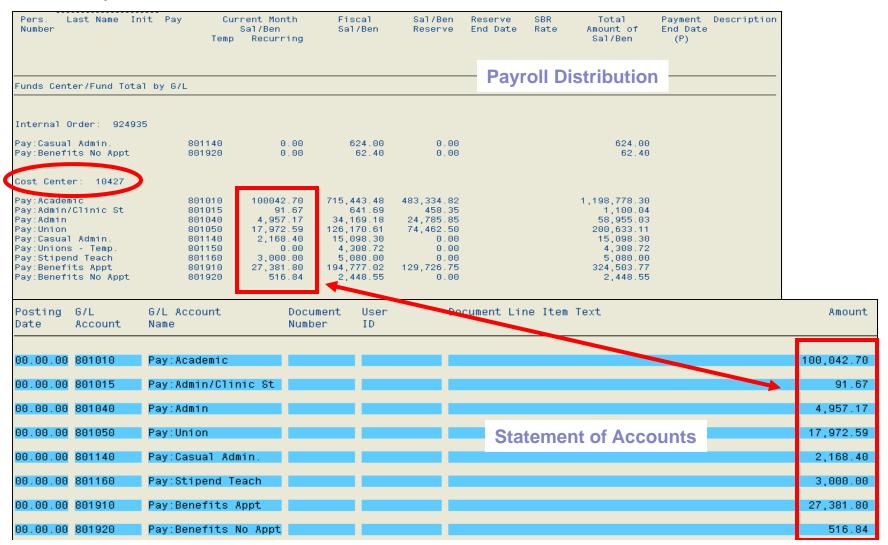
For demonstration purposes, we will use this report with the following selections:



For one-stop-shopping, click on the "Payroll distribution" and "Include G/L summary totals" options to receive exactly the same report you would have received had you run it separately, as shown on the previous slide. Only limitation to running it as part of the Statement of Accounts...you can't download this report to Excel.

### Reconciliation of P/R Dist. & FIS - ACTUALS

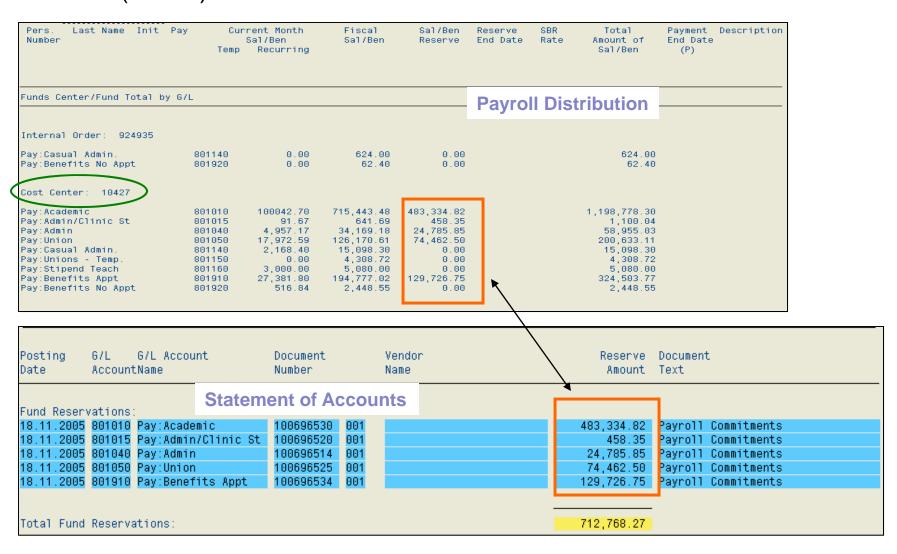
**STEP 2:** Within each cost center, compare the G/L summary totals from the payroll distribution for both **actuals** and **reserves (commitments)** to the G/L summary totals of the Statement of Accounts:



### Reconciliation of P/R Dist. & FIS – RESERVES



### STEP 2 (cont'd):



### **Understanding Calculation of P/R Reserves**



### Payroll reserve calculations are only done:

- as part of the monthly pay run and not during the bi-weekly pay run
- for those employees paid through "payroll area 03" Monthly Pay

### The payroll reserve is calculated using the following:

Current month actual\* *Recurring* salary & benefits



Current month actual *Temp* amounts (only for 4% vacation pay amounts, for specific wage types)

X

Number of outstanding months in the "Reserve Period"

\*NOTE: The Reserve formula uses the "ACTUAL" amount paid in the calculation; therefore, if the actual payment for that month is less than a "full" payment, (i.e. 50% because employee started work mid-month) then the calculated reserve will be understated for this reporting period.



### HRIS/FIS information that impacts the Payroll reserve calculation:

**Recurring** salary & benefits; **HRIS** Info types (IT):

• 0008, 9009, 0014

**Temp** column; 4% vacation pay payments made using the following **HRIS** wage types:

- 0112, 0113, 0115, 0116, 0127
- 0210, 0211, 0214, 0218, 0222, 0240, 0241, 0242, 0245
- 0510, 0511, 0520, 0521, 0530, 0531
- 9804

### Understanding Calc. of P/R Reserves (cont'd)



### "Reserve Period" is defined as follows:

- → Cannot be more than 12 months and
- → Represents the time elapsed between the current pay period and one of the following:
  - UofT Fiscal year end → April 30th; true for all monthly paid employees paid through a CFC account, not having a Payment end date (P) indicator on the report.
  - Sponsor fiscal year end (S) → Variable date determined by the Sponsor; found only on FIS Fund accounts, typically Research funds.
  - Fund end date (F) → Date recorded in FIS indicating when a Fund is to be closed (found only on FIS Fund accounts).
  - Payment end date (P) → HRIS date indicating the date of the last payroll payment to be made to an individual as a result of termination, end of paid leaves, etc.

NOTE: Reserves for future salary & benefit costs: If there are sufficient funds available, there should be no difference between the payroll reserve amount reported on the Payroll Distribution report and the payroll reserves reported in FIS. If there are insufficient funds to cover the payroll reserve requirement, the payroll program will reserve what ever it can until funds available is "0". A payroll reserve (as opposed to an actual) will never create an overdraft in a FIS account.



### An example of how the calculation is done:

Sample data: Current payroll month=Oct. 2004; Fiscal year end=April 30, 2005

	1 /	,	
HRIS data:	Start date	Payment End date(P)	Monthly Salary & Benefits
Employee 1	May 1, 1999	N/A (continuing)	1,000
Employee 2	May 1, 1999	Nov. 15, 2004	1,200
Employee 3	Oct. 15, 2004	N/A (continuing)	800
Employee 4	May 1, 1999	N/A (continuing)	1,000
		Total monthly S&B	4,000

FIS data:	CFC	Fund	Sponsor date (S)	Fund date (F)
Employee 1	100123	N/A		
Employee 2	200123	401234	Feb. 28, 2005	Mar. 31, 2006
Employee 3	200456	407899	May 31, 2005	Mar. 31, 2005
Employee 4	200123	401234	Feb. 28, 2005	Mar. 31, 2006

#### Payroll actuals for the month of Oct. 2004:

	Recurring				
Employee 1	1,000				
Employee 2	1,200				
Employee 3*	400				
Employee 4	1,000				
Total	3,600				

(Salary is 50% due to mid month hire)



#### Using Sample Data, calculate reserve for November 2004:

	Reserve End Date	# of o/s months	χ	Salary	=	Reserve
Employee 1	April 30, 2005	6	χ	1,000	11	6,000
Employee 2	Nov. 15, 2004 (P)	1	χ	1,200	=	1,200
Employee 3*	Mar. 31, 2005 (F)	5	χ	400	11	2,000
Employee 4	Feb. 28, 2005 (S)	4	χ	1,000	11	4,000
		Totals		3,600		13,200

#### **Analysis:**

The reserve for **Employee 3** is too low as a result of the mid-month hiring (i.e. only 50% of the true monthly salary is posted). This will be corrected in the following month, but for the current month, the funds will not be fully reserved for this employee's salary and benefits.



#### Using Sample Data, calculate reserve for December 2004:

	Reserve End Date	# of o/s months	χ	Salary		Reserve
Employee 1	April 30, 2005	5	Χ	1,000	Ш	5,000
Employee 2*	Nov. 15, 2004 (P)	0	Х	600	Ш	
Employee 3	Mar. 31, 2005 (F)	4	Χ	800	Ш	3,200
Employee 4	Feb. 28, 2005 (S)	3	Χ	1,000	Ш	3,000
		Totals		3,400		11,200

<sup>\*</sup>Salary is 50%

#### **Analysis:**

- a) No reserve calculated for **Employee 2** because the payment end date is Nov 15, 2004 and therefore, no further salary payments are expected in the future.
- b) The reserve for **Employee 3** is now correct as it is based on 100% of the monthly pay amount.



**Special attention is required when paid leaves are in effect.** The Payroll reserve program will calculate reserves for individuals based on their current status and not on future information available in HRIS. HRIS will reserve up to the most recent "reserve end date" available in the system.

Example of reserve for employee with continuing appointment, going on leave effective Oct. 1, 2004 and returning Jan. 1, 2005.

**HRIS Data:** Monthly appointed Salary = \$1,200/month

Date of Hire = May 1, 1999

End date for status as continuous = Sept. 30, 2004 → Payment end date (1)

Start of paid leave = Oct. 1, 2004

End of paid leave = Dec. 31, 2004 → Payment end date (2)

Date to be re-instated as continuous = Jan. 1, 2005

Calculate Payroll reserves for each of the following months:

Calculate 1 a yron reserves for each of the following mentile:							
Month of	Month of	Reserve End Date	# of o/s		Monthly		Calculated
pay run	reserve	used in reserve <u>cal'n</u>	months	Х	Salary	=	Reserve
Aug, 2004	Sept. 2004	Sept. 30, 2004 (P)	1	Χ	1,200	П	1,200
Sept. 2004	Oct. 2004	Dec. 31, 2004 (P)	3	Х	1,200	П	3,600
Oct. 2004	Nov. 2004	Dec. 31, 2004 (P)	2	Х	1,200	П	2,400
Nov. 2004	Dec. 2004	Dec. 31, 2004 (P)	1	Χ	1,200	П	1,200
Dec. 2004	Jan. 2005	April 30, 2005	4	Х	1,200		4,800

### **Detecting and Troubleshooting Payroll Errors**



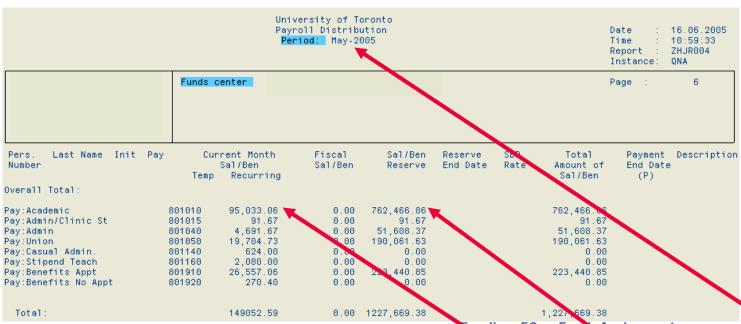
"The best Defense is a strong Offense"...translates into

### CHECK THE PAYROLL DISTRIBUTION REPORT AS SOON AS THE PAYROLL HAS BEEN RUN

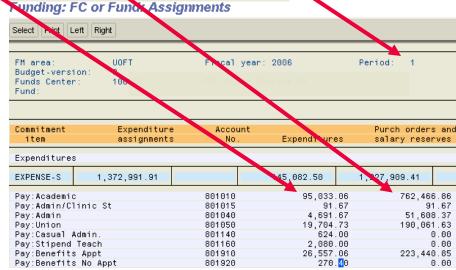
**Why?** You want to identify and correct any errors *before* the pay information is transmitted to the bank.

How? When you receive the AMS listserv message for HRIS users that the Monthly or Bi-weekly "pay area is now open", it is your indicator that the payroll program has been run, the payroll results have been posted to your FIS accounts, and the payroll distribution report is available for review. This message is typically issued 2-3 days before the pay information is transmitted to the bank.





- Make sure you are comparing the same periods (FY May=1, April=12)
- Check both actuals and reserve amounts





Examples of situations where you want to stop/change the pay information from going to the bank:

- Wrong amount paid
- Wrong individual paid

What to do? Call Payroll (416-978-0452) right away to notify them of the error. They need to begin the process of "recalling" the bank payments and processing the reversal(s) and/or correction(s) in HRIS, as soon as possible.

**NOTE:** Payroll payments can be recalled from the bank up to 12:00 noon, the day before the actual pay date. (i.e. 12:00 noon on October 27th is the latest a payment can be recalled before the October 28th payment is made.)



Some examples of errors that *do not* impact the payments made, but *do* impact the proper reporting of payroll activity:

Wrong FIS accounts used (G/L, CFC, CC, IO, Fund):

Between your own accounts → change the HRIS record so that the correction will be reflected in all future postings, as well as moving year-to-date FIS postings to the correct account(s) the next time the payroll is run.

Payroll transaction doesn't belong to your unit → call the Payroll department. There is no way for you to trace the origin of the incorrect coding, but the Payroll department can, and will contact the responsible department and ensure that the correction is made.

**NOTE:** Corrections will not post retroactively in FIS, but will correct the year to date balances in the month of the correction.



Some examples of errors that *do not* impact the payments made, but *do* impact the proper reporting of payroll activity (cont'd):

### Payment is coded incorrectly (i.e. T4 versus T4A):

This correction must be made in HRIS prior to the *calendar* year-end T4 process, so that the individual receives the proper records for the Income Tax filing process.

NOTE: Information on when an individual is an employee versus an independent contractor can be found in section 3.2 of the U of T Income Tax Guide. If you require further clarification, please call Payroll.



Some examples of errors that *do not* impact the payments made, but *do* impact the proper reporting of payroll activity (cont'd):

### FIS account is in an overdraft position:

Depending on what caused the overdraft, there are a number of options:

- Overdraft due to wrong account coding → change HRIS info
- Overdraft due to salary "sharing" and recovery not yet posted →
  process an Internal Revenue/Expense Recovery\*. Detailed instructions
  available at: <a href="http://finance.utoronto.ca/wp-content/uploads/2015/09/intrevexprec.pdf">http://finance.utoronto.ca/wp-content/uploads/2015/09/intrevexprec.pdf</a>
- Overdraft due to unbudgeted salary costs → process budget transfer document to increase budget.

\*NOTE: All HRIS accounts (801xxx series) are blocked for posting and therefore all manual entries for payroll sharing have to be processed using the 800xxx series of payroll accounts.

### **NEED HELP?**



### https://easi.its.utoronto.ca/ams-help-form/

Help is a facility for all AMS subsystems:

- Use the WEB form found at the above address
- Select the appropriate AMS module (e.g., FIS: FAST Team)
- Complete all the information required on the form
- Click on the Send it! button

Mail box is monitored Monday to Friday 9:00 a.m. - 5:00 p.m.

### **FAST Team Contacts**



Manager	Lorena Gaudio <u>lorena.gaudio@utoronto.ca</u>	978-2802
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#### **FIS Standard Curriculum Evaluation:**

http://finance.utoronto.ca/fast/fis-training/course-evaluation-fis-training/

#### **FAST** website:

http://finance.utoronto.ca/fast/