

Banner HR – Encumbrance Processing

Presented by:

Before we get started....



- ◆ Familiarize yourself with the virtual classroom interface
- ◆ Review rules of etiquette

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Chat and Audio Etiquette

◆ Chat

- Use chat to ask questions
- Use private chat when you have to step away for a minute

◆ Audio

- Use your speakerphone
- Do not put us on Hold
- Put your phone on Mute (if you do not have a mute button, press *6 to turn Mute on, press *7 to turn Mute off)

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In Case of Difficulties....

- ◆ Close your web browser and re-log into the event
- ◆ Send a private chat message to the moderator
- ◆ Contact virtual classroom support
 - Helpline (610) 578-6323
 - Email - sctu_vc@sungardsct.com

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Introductions

- Name
- Organization
- Title/function
- Job responsibilities
- SCT Banner Experience
- Expectations

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Agenda

- ◆ Presentation
- ◆ 15 Minute Break
- ◆ Interactive Session
 - On-line Banner Demonstration
 - Questions & Answers

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Objectives

- ◆ The objective of this class is to understand the Encumbrance processing in Banner Human Resources.

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Encumbrances

- ◆ The two types of encumbrances are:
 - Salary Encumbrances
 - Fringe Encumbrances

- This class will discuss both how encumbrances are calculated and how they are liquidated.

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Encumbrances

- ◆ What is an Encumbrance??
- ◆ Rule Forms Set-Up
- ◆ Encumbrance Population
- ◆ Encumbrance Processing
 - ◆ Liquidation
 - ◆ Adjustments
- ◆ Fiscal Year End Process
- ◆ Encumbrances after Go-Live

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What is an Encumbrance?

◆ Definition:

- ◆ Something that burdens or impedes

◆ Example:

<u>Budget</u>	<u>Encumbrance</u>	<u>Available</u>
100,000	65,000	35,000

- ◆ Doesn't mean you "have" spent it, but that you are "going" to spend it.

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Rules Form Set-Up

◆ PTRPICT

◆ Factor

- ◆ Depends on type of Payroll
- ◆ BW – count # of days in the year (26.1, 26.2- will need to be verified every year)
- ◆ WK – count # of days in the year
- ◆ SM, MN – count # of pay periods in the year

◆ Pays

- ◆ # of Pay Periods in the year

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Rules Form Set-Up, Continued

◆ PTRECLS

◆ Encumbrance Method (Options-Position Defaults)

- ◆ System Generated
- ◆ Hours Input
- ◆ Value Input
- ◆ Annual Salary

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System Calculated Method

- ◆ With Work Schedules:
 - ◆ System multiplies the rate times the number of hours expected to be worked in the job as defined by the Work Schedule on NBAJOBS within the fiscal year.
- ◆ Without Work Schedules:
 - ◆ System defines work days as Monday thru Friday. The assigned salary is multiplied by the appropriate # of pay periods in the fiscal year.
- ◆ With Contract Start & End Dates:
 - ◆ Start & End Dates on NBAJOBS are used to determine the number of pay periods existing between those dates. That number is then multiplied by the Assigned Salary Amount from NBAJOBS. (Only used with Deferred Pay)

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Annual Salary Method

- ◆ The encumbrance amount always equals the employee's latest Annual Salary as listed on NBAJOBS within the defined fiscal year.
- ◆ The system will adjust the encumbrance to reflect any future changes made within the active fiscal year (not taking into account days left in calendar year).

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Value Input Method

- ◆ The method allows the user to enter the value of the encumbrance amount into the Salary Encumbrance field on NBAJOBS.
- ◆ This method can be used for those employee classes that a client does not want to encumber by entering in 'zero'.

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Hours Input Method

- ◆ The method multiplies the employee's Regular Rate by the value entered in the Encumbrance Hours field on NBAJOBS to determine the encumbrance amount.
- ◆ The sum of the Encumbrance Hours entered on the NBAJOBS Job Detail block must equal the value of the Total Contract Hours and Total Encumbrance Hours fields on the General Job Information Block on NBAJOBS.

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Rules Form Set-Up, Continued

- ◆ With System Calculated Encumbrances, there are 2 methods of liquidating:
 - Regular Payroll Method
 - Recast Method

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Rules Form Set-up, continued

- ◆ Recasting – Recalculates Encumbrance Reductions on demand with a user defined date on NBPBUDM. This method is used instead of liquidating encumbrances every pay period and only used when the following flag is set and for those Employee Classes that use "System Calculated". Will recast Fringe Encumbrances if using the Charge Back Method.
 - NTRINST – Encumbrance Recasting Indicator

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Rules Form Set-up, continued

◆ NTRFINI

- ◆ Gross Payroll Earnings: HGRS
- ◆ Employer Fringe Payroll Exp: HGRB
- ◆ Fringe Charge-back Expense: HFRD
- ◆ Original Salary Encumbrance: HENC
- ◆ Salary Encumbrance Adj.: HENA
- ◆ Original Fringe Encumbrance: HFEN/NOOP
 - ◆ Can only encumber fringes when using fringe charge-back
- ◆ Fringe Encumbrance: HFEA/NOOP
 - ◆ Can only encumber fringes when using fringe charge-back

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Rules Form Set-up, continued

◆ NTRFINI cont..

◆ Fringe Rules

- ◆ Calculate/Process Fringe Encumbrances?
- ◆ Fringe Calculation Method
- ◆ Override External Rate with Installation Rate?
- ◆ Recalculate all Salary or Fringe Encumbrances?

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Rules Form Set-up, continued

◆ Recasting Method

◆ NTRFINI – Encumbrance Overrides Window

- ◆ Salary Expense – No Liquidate – “HGNL” to ensure no liquidation through payroll
- ◆ Fringe Charge Expense – No Liquidate – “HFNL” to ensure no liquidation through payroll

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Rules Form Set-up, continued

◆ PTREARN

- ◆ Rule Class Code Override, Fringe Rule Class Override
 - ◆ Allows client to determine which earn codes liquidate encumbrances and which do not.
 - ◆ HGNL will not liquidate salary encumbrances
 - ◆ HNFL will not liquidate fringe encumbrances
- ◆ Applicable to Fringe Expense
 - ◆ Check for those earn codes that should be used when calculating fringe charge-back.
 - ◆ **Reminder – fringes can only be encumbered when using the fringe charge-back method.

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Populating Encumbrances

- ◆ Depends on Encumbrance Method set up on PTRECLS
 - ◆ System Generated – when NBAJOBS record established will automatically populate NBRJLBD w/ Enc # & Enc Amount
 - ◆ Hours Input – when NBAJOBS record established will have to manually input hours
 - ◆ Value Input – will have to manually input value on General Job Information block on NBAJOBS
 - ◆ Annual Salary – will automatically populate NBRJLBD w/ Enc # & Annual Salary Amount

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Populating Encumbrances, Continued

◆ NBPBUDM

- ◆ Will Assign Enc Seq. # & Encumbrance to Post Amount
- ◆ Recommended that client should run before opening up next pay period (PHPTIME)

◆ NHPFIN1

◆ NHPFIN2

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Viewing Encumbrances

- ◆ HR
 - ◆ NBPBUDM output
 - ◆ NBAPBUD
- ◆ Finance
 - ◆ FGAENCB (Look for PR Seq. # for all unique labor distributions)
 - ◆ FGIENCD
 - ◆ FGIBAVL
 - ◆ FGRODTA by org code

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Liquidating Encumbrances

- ◆ Normal Payroll Processing
 - ◆ Or
- ◆ Recasting Method

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Liquidating Encumbrances

- ◆ Normal Payroll Process – can be run anytime but must be run before the Payroll Interface to Finance
 - ◆ NBPBUDM
 - ◆ NHPFIN1
 - ◆ NHPFIN2
 - ◆ Finance Interface Processes

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Liquidating Encumbrances

- ◆ Recast Method – can be run anytime
 - NBPBUDM – User Supplied Recast Date
 - NHPFIN1
 - NHPFIN2
 - Finance Interface Processes

- ◆ * It is important to note that the NBAJOBS Encumbrance Amount will not be altered by the Recast Method. Recast Reduction Amounts will be seen on the NBAJOBS FOAPAL.

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Encumbrance Adjustments

- ◆ Any time you make an adjustment will come over with as HENA rule code
 - ◆ Adjustment calculation depends on encumbrance method

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FY End Processes

- ◆ NTRJINC and NBPMASS
 - ◆ Roll Encumbrance Hours if that method is used, also:
 - ◆ To make it easier to begin the new FY complete and roll NBAJOBS record even if there are no salary changes at that time
 - ◆ This will insert the new fiscal year PR# and assign seq. # on NBAJOBS.

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FY End Processes - Roll Encumbrance Hours

- ◆ NBPMASS can be run at fiscal year end to roll NBAJOBS Encumbrance Hours from the old FY year to the new FY. Rule form NTRHROL supports the parameters that are used for rolling contract dates. While running NBPMASS for this option, parameters are:
 - Report Mode – either Report or Process
 - Process – E Roll Encumbrance Hours
 - Job Change Reason Code – from PTRJCRE
 - Personnel Change Date – optional for this option

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FY End Processes

- ◆ NBPBUDM, NHPFIN1, NHPFIN2
- ◆ Timing is 'CRITICAL'
 - ◆ After last pay period is complete and fed to finance and before any opening of first pay period of new fiscal year.

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Encumbering after go live

- ◆ Things to think about
 - ◆ NTRFINI Set Up
 - ◆ Employee Class Set Up
 - ◆ Touching NBAJOBS Record
 - ◆ Manually or thru use of NTRJINC/NBPMASS

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Question and Answers

Thank you for your participation

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