Understanding Salary Projections

ConnectCarolina Financial Concepts

A series of documents to help you understand the financial information in ConnectCarolina and InfoPorte

December 2017

What Are Salary Projections?

Salary projections are estimates of the amount of salary and fringe expenses you can expect to pay for an employee in the future, for a specific time period. You can see the salary projections on InfoPorte reports, and they help you determine how much budget is available on a grant or other funding source after you've covered employee pay.

Salary projections are calculated in ConnectCarolina based on these factors:

1 **Employee Group**
(for example, SHRA Permanent or EHRA Non-Faculty)

2 **Funding Sources**

3 **End Dates**
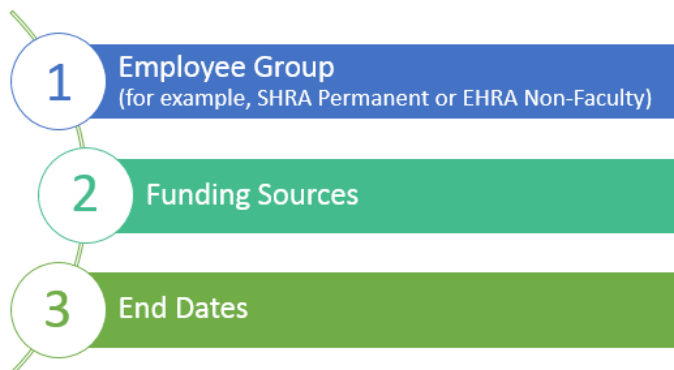
How Often Projections Are Updated

ConnectCarolina updates projected amounts every weeknight except on holidays. For example, if you use a Fund Swap ePAR to move an employee's funding to a different grant, the projection for the employee is updated the night the ePAR is fully approved and executed.

After each paycheck is paid and distributed to the chartfield strings that fund the employee's pay, the system recalculates the salary projection (since that paycheck is now an actual expense).

1 Employee Group
(for example, SHRA Permanent or EHRA Non-Faculty)

The system calculates salary projections for all employees except:

- EHRA student employees who are on short work break

- SHRA temporary employees, which includes these groups: SHRA Student, SHRA Student (Work-Study), SHRA Temporary, and SHRA Temporary – Retiree

For the employees the system calculates projections for, the system looks up the employee group the employee belongs to (such as EHRA Non-Faculty or SHRA Permanent) so that it can calculate the correct fringe benefit rate. The employee group also helps determine what dates are used in calculations.

2 Funding Sources

When hired, each employee is assigned chartfield strings that specify the sources that will fund the employee's pay. The sources can be State, F & A, Trust, or project (contract or grant) funds, and the employee can be funded by a single source or multiple sources. If more than one, the person entering the funding sources specifies what percent of the total salary each funding source will cover. The system uses the funding sources and the percent each source covers to calculate a salary and fringe projection for the employee.

3 End Dates

The system calculates projections for a time period that starts with the first day of the current pay period and ends on a date that varies depending on whether:

- the employee's job has an end date,
- the funding source (chartfield string) has an end date (called the "funding end date" or "budget end date"), and
- the type of fund it is (State, F&A, Trust, or OSR).

End Dates for State, F&A, and Trust funds

For State, F&A, and Trust funds, the system calculates projections through whichever of the following dates is the **EARLIEST**:

Job End Date

- Last day the person will work, if the job is set to end. Job end dates are mainly used for EHRA students who aren't post-docs paid on NIH training grants or clinical fellows paid by stipend on NIH training grants. Most permanent EHRA Non-Faculty and SHRA employees don't have end dates, and job end dates are not used in salary projection calculations for faculty members.
- Entered or changed using an ePAR form.
- Find the job end date using the UNC Employee Info option in ConnectCarolina.

Funding End Date

- Date the funding source (chartfield string) ends, if it is set to end.
- Entered or changed for the chartfield string on an employee's funding grid, which is entered or changed using an ePAR form.
- If changed, the new date must be before the end of the fiscal year.
- Find the funding end date on the Salary Funding Report in InfoPorte.

Budget End Date

- Date of last paycheck before July 1 (the "budget end date" for non-OSR funds).
- The date is different for monthly and biweekly employees.
- Find last check dates for the fiscal year on the OHR payroll calendar.

End Dates for Contract & Grant Funding
(except post-docs and clinical fellows paid by stipend on NIH training grants)

For Contract & Grant funding (except post-docs and clinical fellows paid by stipend on NIH training grants), the system calculates projections through whichever of the following dates is the **EARLIEST**, for up to three calendar years in the future. In other words, if the date is more than three calendar years in the future, the projection stops at the end of the third calendar year.

Job End Date

- Last day the person will work, if the job is set to end. Job end dates are mainly used for EHRA students who aren't post-docs or clinical fellows paid by stipend. Most permanent EHRA Non-Faculty and SHRA employees don't have end dates, and job end dates are not used in salary projection calculations for faculty members.
- It is entered or changed using an ePAR form.
- Find the job end date using the UNC Employee Info option in ConnectCarolina.

Funding End Date

- The project end date or an earlier date (if entered).
- It is entered per chartfield string for an employee using an ePAR form.
- Find the date on the Salary Funding Report in InfoPorte.

Budget End Date

- Specific to the project and based on the start date defined by the project's sponsor.
- Projects are typically budgeted year by year, but the year doesn't necessarily coincide with the fiscal year.
- Find the date for the project on the Grants Detail page in InfoPorte.

A Note About Funding End Dates and Project End Dates

If someone enters a funding end date that is earlier than the project end date, it's usually because he or she needs to reduce the salary projection against that project. But if the funding source ends and no new funding source is there to cover that salary, all or part of the employee's salary will go to suspense. The system tries to avoid sending payroll to suspense, so when distributing payroll, it:

1. Checks each chartfield string on the employee's funding grid to see if it has a funding end date that falls during the pay period being processed.
2. If it does, the system checks to see if another funding source picks up where this funding source ends or if the amount after the funding end date will go to suspense.
3. If part of the salary will go to suspense, the system checks to see if the project's end date is later than the funding end date.
4. If it is, the system extends the funding end date to match the project end date.

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A Note About Funding End Dates and Project End Dates (continued)

The system then recalculates the salary projections using the newly-extended project end date. This prevents the employee's current and future payroll from going to suspense, but the salary projection is now larger than you may have planned. If it is larger than you intended, you'll need to do a Fund Swap ePAR form to change the funding end date. Once the ePAR is fully approved and executed, the system recalculates the projection based on the new date.

End Dates for Post-doc Trainees & Clinical Fellows on NIH Training Grants

For post-doc trainees or clinical fellows on NIH or similar training grants (stipend accounts 568770 or 568780, also called "regular no FICA" or "RNF"), the only date the system uses to calculate salary projections is the funding end date. The ConnectCarolina team sets the funding end date to match the end date on the Statement of Appointment.

Funding End Date

- The funding end date is entered per chartfield string for an employee using an ePAR form.
- For post-doc trainees or clinical fellows on NIH training grants, the ConnectCarolina team updates the funding end date to match the end date on the statement of appointment.
- Find the date on the Salary Funding Report in InfoPorte.

NIH Statement of Appointment End Date

- Date that specifies when the trainee's appointment to a National Institute of Health (NIH) training grant ends.
- Is specific to the trainee's appointment approved by the NIH and can be any date (that is, it isn't tied to the first or end of the month or to a fiscal year).
- Entered by submitting a help request once the Hire, Job Change, or Fund Swap ePAR form is fully approved. In the request, ask the funding end date to be changed to match the appointment end date.
- Find the date on the Employee Profile in InfoPorte or in the NIH ERA Commons website used by grant managers.

A Note About Cost Sharing & Salary Projections

ConnectCarolina calculates salary projections based on the fund, not on the presence of a project ID. For example, if a project is cost sharing with State funds, the projections are tied to the State funds, not the project ID that is cost sharing. What this means is that, in this example, the projection ends at the end of the fiscal year, when the State funds end.

If you need to see projections past the fiscal year end, you can create a soft encumbrance in InfoPorte. You can set an end date for the soft encumbrance when you create it or just remember to remove the soft encumbrance when the new fiscal year starts, so that your salary projection isn't too high. That's because when the new fiscal year starts, the system recalculates the salary projections based on the new budget end date (which
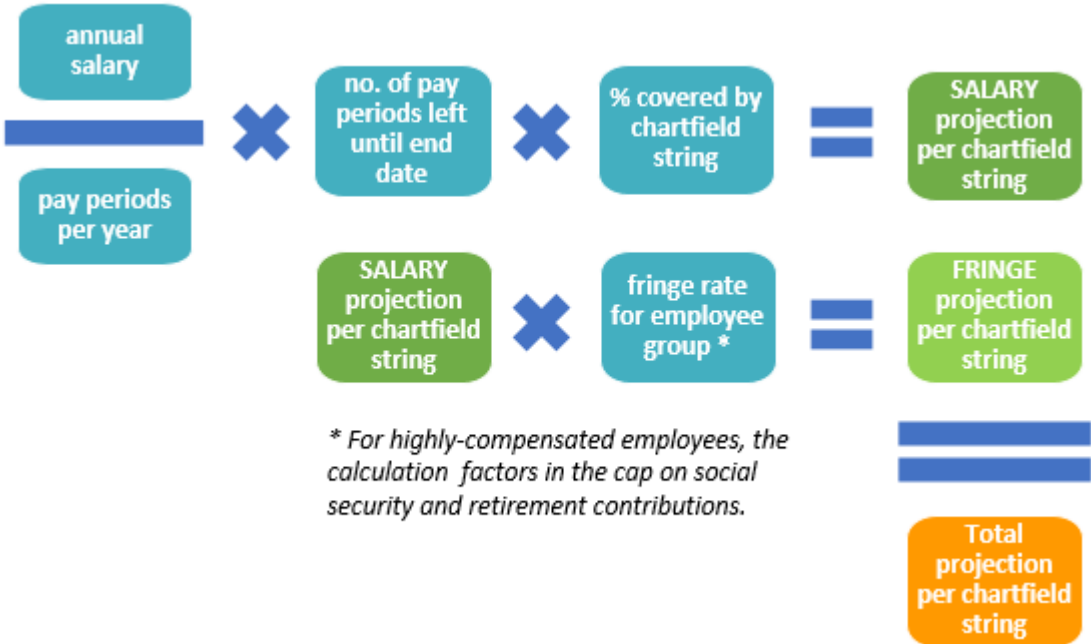*continued*

A Note About Cost Sharing & Salary Projections (continued)

would be the end of the new fiscal year in our previous example), the funding end date (which is the project end date or an earlier date if an earlier date was set), or the job end date—whichever is earliest.

If someone entered a funding end date for the chartfield string, that date does stay with the chartfield string into the new fiscal year. For cost sharing, there will always be a funding end date because when someone enters a project ID for cost sharing on an ePAR form, he or she is required to enter a funding end date for that chartfield string. So even if the projection ends at the end of the fiscal year, when the new fiscal year starts, the projection is recalculated using that funding end date (if the funding end date is the earliest date).

How Are the Projections Calculated?

The salary projection for an employee is made up of the employee's salary and the fringe benefits, and as explained earlier, is calculated using the employee's employee group, information about funding sources, and the ending dates that apply. Here is the calculation the system uses:

$$\frac{\text{annual salary}}{\text{pay periods per year}} \times \text{no. of pay periods left until end date} \times \text{\% covered by chartfield string} = \text{SALARY projection per chartfield string}$$

$$\text{SALARY projection per chartfield string} \times \text{fringe rate for employee group *} = \text{FRINGE projection per chartfield string}$$

* For highly-compensated employees, the calculation factors in the cap on social security and retirement contributions.

$$= \text{Total projection per chartfield string}$$

What if an Employee's Projection Isn't Correct?

If the salary projection for an employee looks too large or too small, here are some things to try:

Note: Remember, changes won't show in InfoPorte until the next day, since salary projections are recalculated overnight (every weeknight except for holidays).

If you notice …	This could be the problem …
When you search for employees funded by a particular grant, Joe Smith is not listed.	Looking at the grant on the Grant Detail page in InfoPorte, you see that the grant's budget end date has passed. If the budget end date isn't correct, contact OSRHelp@unc.edu to have it changed. After the budget end date is updated, projections will be calculated for the grant. If the budget end date is correct, that means it was the earliest of the three dates used to calculate projections.
Half of an employee's funding is provided by a grant. The grant continues for two years, but you submitted a Fund Swap ePAR last week to move the employee to a different grant at the end of this fiscal year. The employee's projection is higher than expected.	On the Salary Funding Report in InfoPorte, you see that the employee's funding end date for the project is still the same as the project end date. Double-check that the ePAR you submitted has been fully approved and executed.
The grant funding a graduate student in your department does not end for two more years, but the salary projection for the employee only goes through May.	Looking at the UNC Employee Info option in ConnectCarolina, you see that the graduate student's job end date is May 31. Graduate students can only be appointed for a max of one year at a time. The salary projection will be updated when the job end date is updated. If you know for sure the graduate student will be working on this grant in the fall, you can create a soft encumbrance in InfoPorte to account for the additional amount in your budget. You can set an end date for the soft encumbrance or just remember to remove or reduce the soft encumbrance later when the graduate student is hired into another appointment.