

**From:** [Kelly-Scholle, Janet](#)  
**To:**  
**Subject:** Additional Information for Managing Departmental Suspense  
**Date:** Friday, May 29, 2015 2:23:30 PM

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**TO:** MOU Leads  
Finance and HR Liaisons  
University Business Managers  
HR Officers and Secondary Contacts  
Research Administrators Support Group

**FROM:** Robin Cyr, Associate Vice Chancellor for Research  
Dennis Press, University Controller

**RE:** Additional Information for Managing Departmental Suspense

Of the almost \$24 million in labor expenses posted to suspense prior to the May Monthly payroll, corrective actions have been completed or initiated for almost 70% of those dollars. Thank you for your diligence in managing departmental suspense. The intent of this message is to provide campus instructions regarding managing current charges in suspense and provide additional information on recent changes to reduce the number of expenses going to suspense.

### **The Problem and its Consequences:**

The University currently has a significant amount of money tied up in labor expenses going to suspense. This has several consequences:

- 1) The University may be foregoing payment for expenses that are allowable and allocable on sponsored projects and may lose sponsor funding for those costs.
- 2) Current Facilities and Administrative (F&A) funds are being tied up in labor expenses.
- 3) The University is not collecting F&A funds because the expenses are not on the projects which may reduce future allocations of F&A funds.

### **Institutional Interventions:**

- A short-term retroactive funding transfer tool has been made available to campus for correcting expenses.
- Where possible, the University has extended the end dates of multi-year projects to the end of the complete project rather than the end of the budget period.
- Programmatic changes have been made to reduce the number of labor expenses being sent to suspense. System controls have been modified to reduce the number of expenses going to suspense for B23, M11 and subsequent payrolls due to the Funding End Date. Test results indicate that individuals paid from multiple sources with

Funding End Dates that expired between October and the end of April will continue to post to suspense until new funding sources are entered on their records. These programmatic changes only prevent sources with a funding end date in May and forward from going to suspense. As a result, postings to suspense for the May Monthly payroll were 24% lower than the prior Monthly payroll.

- The University is continuing to explore options for further reducing the amount of labor expenses going to suspense. We will keep you apprised of changes.

**What You Should Do:**

- 1) Run the following report in InfoPorte to identify projects going to suspense: InfoPorte > Finance > Financial Reporting > Misc.> Suspense Activity Report.
- 2) Prioritize review and movement of labor expenses related to
  - a. Funds in jeopardy
  - b. State funds
- 3) These two categories of labor expenses need to be entered into the [retro funding swap form](#) AND approved by departments/schools and MOUs by June 26 to be processed in FY2015.
- 4) Determine the appropriate funding:
  - a. If an individual should be paid from continuation funds or a project that has been received but not yet set up in ConnectCarolina, contact your respective OSR Program Administrator to discuss the status of the new funds.
  - b. If the department, center or institute is confident that anticipated funds will arrive, initiate and route a request to OSR via RAMSeS for financial guarantee. By initiating a financial guarantee the department is certifying that it will be responsible for costs if the sponsor does not provide funding;
  - c. If an individual has no current funds to which his/her time is allowable or allocable, move the expenses to state, F&A or other funds as appropriate.
- 5) Identify individuals with funding grids currently going to suspense and change these to valid funds to prevent future labor expenses from going to suspense.

**Details of Labor Suspense Reduction and Instructions on How to Manage Labor Suspense:**

**THE DIFFERENT TYPES OF SUSPENSE CHARTFIELDS**

NAME	FUND	SOURCE	ACCOUNT	DEPARTMENT
Suspense – default	27110	14101	511190	your dept. #
Suspense – delivered	27110	14102	511190	your dept. #
Suspense – NC	27110	14103	511190	your dept. #

**HOW SUSPENSE CHARTFIELDS ARE USED AND HOW DEPARTMENTS MANAGE LABOR SUSPENSE**

**Suspense – default** is used to post payroll transactions when a position or an appointment

does not have a valid funding source in the Department Budget Table. If no valid funding has been entered for a position or appointment, the expenses will continue to go to the department's default account. Be sure to confirm that valid funding has been entered into ConnectCarolina for all new hires and transfers into your department.

**Suspense – delivered** is used to post payroll transactions when the funding source for an employee with a single funding source has expired. Programmatic changes have been made to temporarily prevent these expenses from going to suspense but departments must still monitor these costs to ensure they are charged to the appropriate funds. Departments must use the retroactive funding transfer tools to remove labor expenses that have already posted to suspense AND use the ePAR Funding Swap form to enter valid new funding for future expenses.

**Suspense – NC** is used to post payroll transactions when one or more funding sources for an employee with multiple funding sources has expired prior to the current pay period. Departments must use the retroactive funding transfer tools to remove labor expenses that have already posted to suspense AND to create a new funding grid to replace the one going to suspense to prevent future labor expenses from going to suspense.

We encourage you to take actions to remove payroll transactions from suspense and then to change funding sources as needed to prevent future suspense activity. We hope this information is useful in managing suspense activity. Thank you for your invaluable help.