

From: [Kelly-Scholle, Janet](#)
To:
Subject: Personnel Encumbrances and Related Issues
Date: Friday, February 27, 2015 5:26:57 PM

To: MOU Leads
University Business Managers
Research Administrative Support Group

Cc: Human Resources Officers and Secondary Contacts

From: Dennis Press, University Controller
Frances A. Dykstra, Assistant Vice Chancellor for Enterprise Applications

Re: Personnel Encumbrances and Related Issues

As we explained in a February 20, 2015, [message](#), work is underway to correct errors in the posting of December and January payroll expenses to University funds. To prevent inaccurate distributions prospectively and to correct prior distributions, it is necessary to remove personnel encumbrances from ConnectCarolina. After personnel encumbrances are deleted, reports will show a remaining balance that is much greater than the actual funds available.

We know that campus units need projections of personnel expenses to understand and manage available funds in their funding sources and to ensure appropriate funds are available for new hires, other personnel and non-personnel expenses. To meet that need, we are creating reports that we expect to be available by the end of March that will provide projected personnel expenses by another method. The team is working to develop reports that show projected personnel expenses (including fringes) to serve as a temporary bridge while a permanent encumbrance solution is built. We anticipate having a permanent encumbrance solution in place before the end of the fiscal year. More information on these tools will be made available as progress continues.

A Recap of the Problem

During the months of December and January, a PeopleSoft-delivered process reallocated payroll expenses from intended funding. Together payroll encumbrances and lump sum payments reduced the remaining balances for some funding sources and caused this error.

What We Are Doing

Intense and continuing efforts by the project team are underway to prevent inaccurate distributions prospectively and to test and implement a solution to correct the inaccuracies of prior distributions of payroll transactions to the General Ledger (GL).

- The fix to prevent inaccurate distributions prospectively is expected to be tested and in place in the first week of March
- The fix to correct the inaccuracies of prior distributions of payroll transactions to the GL is targeted for implementation the end of March. The corrections will be for B10 (paid Nov. 26, 2014) through B16 (paid Feb. 20, 2015) and M06 (paid Dec. 23, 2014) through M08 (paid Feb. 27, 2015).

Other Related Issues

Multi-year Sponsored Projects End Dates

As you know, payroll transactions will post to departmental suspense if the budget end date has

passed. To minimize the number of payroll transactions posting to suspense, the end dates for some multi-year grants will be changed from the current budget period end date to the project end date. (UNC is able to do this for sponsored projects for which the institution has been granted “expanded authority.”)

Retros

A short-term solution to allow processing of retroactive adjustments for salary and benefits (retros) that have been previously recorded to the GL for payrolls dated on or after Oct. 1, 2014, is near completion and will be tested next week. A separate communication on the details of the retro solution will be forthcoming.

Additional information on these two related issues can be found in the [message](#) dated February 12.

These related issues are mentioned here to communicate that the availability of the above fixes and solutions will be in the following sequence:

1. Update multi-year sponsored projects end dates (estimated completion first week in March)
2. Correction of inaccurate payroll distributions to GL (estimated completion by the end of March)
3. Release of short-term retro solution (estimated availability date of mid-March))
4. Reporting tool for projections of personnel expenses (estimated availability by the end of March)

We understand the importance of this issue and will keep you informed as the work continues. If you have questions, please contact Dennis Press at dennis_press@unc.edu or 919-962-7007.