

**OneUSG Connect
Payroll Encumbrance Calculation
Ad Hoc Release 9/18/2020**

As discussed on the 09/10/2020 weekly status call, OneUSG Connect will implement a new method for payroll encumbrance calculations. Initial processing of the new calculation will occur on September 25th and 26th and will be reflected in the UGA Financial Management System on September 29th. Provided below is a high level summary including general information, major changes, and a few examples to reflect these changes.

Additionally, we have requested documentation of the encumbrance calculation from OneUSG Connect. The calculations and examples in this document are based on our current understanding of the new encumbrance calculation.

General Information

Vacant positions are not encumbered. Filled positions, in the following paygroups, are encumbered.

Paygroup	Paygroup Description	Pay Frequency
18A	Salaried	Monthly
18E	18E Exception Hourly	Biweekly
18F	Academic Year Faculty	Monthly
18G	Graduate Assistants	Monthly
18H	Staff – Hourly	Biweekly
18J	10 Month Non-Exempt	Biweekly
18L	Temporary Salaried	Monthly
18P	Part Time Faculty	Monthly
18S	Summer Faculty	Monthly
18X	10 Month Non Faculty Exempt	Monthly
18Y	12 Month Faculty	Monthly

OneUSG Connect has two encumbrance processes.

1. Full encumbrance calculation – this process will first zero out existing personal service encumbrances and then calculate a new encumbrance on all filled positions.
2. Delta calculation – this process runs a full encumbrance calculation on all filled positions, compares the new encumbrance amount to the existing encumbrance and adjusts the encumbrance amount if there is a change.

OneUSG Connect runs the encumbrance process every Friday. Generally, a full encumbrance calculation is run once a month and the delta calculation is run the other weeks of the month. UGA does have the ability to request a full encumbrance calculation be run more frequently.

Major Changes

Change in Proration

- The encumbrance will be based on job data status, position data status, and position funding as **of the beginning of the pay period**
- There will be **no** proration for mid-period changes in job data, position data, or position funding. (There will be a proration for June 30th if necessary.)

Fringe Calculation

- All fringe benefits will be based on configuration tables
- The FICA default is 6.20%
- The FICA MED default is 1.45%
- Retirement will be based on the retirement plan in which the employee is enrolled
- Health will be based on the health plan in which the employee is enrolled

Basic Calculation

Biweekly Paid Employees

Salary Encumbrance = Hourly Rate x Standard Hours x Remaining Pay Periods in FY (plus June 30th proration if necessary)

The hourly rate and standard hours are from the employees Job Data record and the encumbrance amount will be based on these values as of the beginning of the pay period.

The encumbrance amount is distributed based on how the position is funded as of the beginning of the pay period.

Monthly Paid Employees

Salary Encumbrance = Monthly Rate x Remaining Pay Periods in FY (plus June 30th proration if necessary)

The monthly rate is from the employees Job Data record and the encumbrance amount will be based on this value as of the beginning of the pay period.

The encumbrance amount is distributed based on how the position is funded as of the beginning of the pay period.

Note - 18F (Academic Year Faculty) pay group health and life encumbrance.

The amount of health and life for January through May are at a 7/5ths rate. For example, if the monthly rate for health insurance is \$1,356.98. The encumbrance amount for January through May will be 7/5 of the monthly rate or \$1,899.77. ($\$1,356.98 \times 1.4 = \$1,899.77$)

Examples

Example 1

Monthly paid employee.

Position funded as follows:

- Effective 7/1/2020 combo code A
- Effective 10/15/2020 combo code B

Encumbrance for the entire month of October will be under combo code A. The encumbrance for the month of October will **not** be prorated.

Example 2

Monthly paid employee.

Short Work Break row, effective 5/15/2021, added to Job Data record of employee.

Salary and benefits for the employee will be encumbered for the entire month of May based on how the position is funded on 5/1/2020. The encumbrance for the month of May will **not** be prorated. There will be no amount encumbered for June.

Example 3

Monthly paid employee.

Short Work Break row, effective 6/1/2021, added to Job Data record of employee.

Salary and benefits for the employee will not be encumbered for the month of June.

Example 4

Hourly paid employee.

Position funded as follows:

- Effective 7/1/2020 combo code A
- Effective 1/1/2021 combo code B

The first biweekly pay period for January 2020 begins on 12/27/20 and ends 1/9/21. The encumbrance for the entire pay period will be under combo code A. The encumbrance will **not** be prorated for this pay period.

Example 5

Monthly paid employee.

Termination row, effective 9/16/2020, added to Job Data record of employee.

The entire month of September will be encumbered for the employee. The encumbrance for the month of September will **not** be prorated.

Example 6

Monthly paid employee.

Termination row, effective 10/1/2020, added to Job Data record of employee.

There will be no encumbrance for the months of October through June.

Example 7

Monthly paid employee.

Employee is paid on a grant that ends in the middle of the month. Position funded as follows:

- Effective 7/1/2020 combo code A which has a grant end date of 10/15/2020.
- Effective 10/15/2020 combo code B

The encumbrance calculation will **not** recognize the mid pay period grant end date and will encumber the entire month of October on combo code A. It will not encumber under combo code B until the first encumbrance calculation is run in November.

Example 8

Monthly paid employee.

Position funded as follows:

- Effective 7/1/2020 combo code A which has a grant end date of 12/31/2020
- Effective 1/1/2020 combo code B

The encumbrance calculation will encumber on combo code A through December and will encumber on combo code B January through June.