Payroll Encumbrance Options

Based on BSAG feedback, the following options have been approved for Payroll Encumbrances. These are the recommended interim options until long-term solutions are identified.

A potential situation where these options may be utilized: When Project Ends Dates extend later than the date for which there is actually funding. Departments may need to restrict the amount encumbered on that Project.

**Option 1: Use Indirect Cost funds (15xxx) or UGARF funds (20300) as a placeholder for these payroll encumbrances.**

- Units may or may not have adequate balances to exercise this option.

**Option 2: Change future funding to a Departmental Sales/Service chartstring (fund 141xx).**

- Budget can be created as needed to cover the payroll encumbrance so that the payroll encumbrances do not limit other funds.
- Units will need to be sure to reduce this budget once the payroll encumbrances have been moved off the Departmental Sales/Service chartstring.

**Option 3: Create a new dedicated combo code on Fund 141xx to use as a placeholder for future payroll encumbrances for which funding hasn’t yet been secured. This combo code will contain a chartstring that does not tie up operations budgets.**

- Units will need to monitor and remediate any charges that hit against this chartstring by mistake.
- **Important:** This dedicated combo code should only be used for “temporarily parking” i.e. holding Payroll Encumbrances and not Payroll Expenses. Therefore, it is imperative that this is monitored proactively. Units should change position funding from this dedicated combo code before payroll is run and creates the payroll expenditures. This dedicated combo code may not have any budget and therefore should not have any actual expenditures posted. We would also be at risk with the compliance audit for parking charges that are related to grants if actual payroll expenses posted here.

**Additional Note:**
UGA has submitted a Change Request to the USG System Office to request to allow multiple funding changes to be submitted at the same time. We will keep everyone apprised of progress on this request.

Thank you all for your partnership as we identify and determine the best paths to resolution for these new challenges. This message will also be shared with the RADG listserv, which includes research administration staff across the institution.