**Labor Distribution Module**

**Salary Transfer and Effort Certification Reporting**

To keep effort certification reporting and the Labor Ledger consistent, limitations are placed on the types of salary expense transfers that may be performed after Effort Certification documents covering a fiscal period have been generated.

**Very Important:** The Salary Expense Transfer document **cannot be used** to transfer salary expenses that affect effort levels and are identified after Effort Certification documents have been generated but before the report period is closed. Instead, changes are made on the Effort Certification document itself (if it is still pending) or the institution's authorized user initiates an Effort Certification Document Recreate action and changes the effort levels on that document to reflect actual effort. The act of changing the Effort Certification document generates an automatic salary transfer that maintains consistency between the effort report and the Labor Ledger.

**Document Layout**

The Salary Expense Transfer document includes a unique **Ledger Balance Importing** tab in addition to the standard Labor Ledger transaction tabs.

1. **What is it?**

The Salary Transfer (ST) document is used to move salaries and associated staff benefit charges for a given employee for a particular accounting period (or set of periods) from one or more accounts to another account (or accounts).

2. **Why is it used?**

The ST is used when an employee’s payroll expense was charged to an incorrect account or object code. This could happen for a number of reasons, including:
• A payroll clerk mis-keyed the voucher information and the expense initially was posted to the wrong account.

• An employee was paid for work on a grant before the account was established, and the wages were initially posted into another account.

• The wages were initially paid on an expired or invalid account.

• A clerical error was made on the initial employee hire Edoc.

• Retroactive correction takes place where the account or object code was changed after an employee was paid.

• The expenses should have been charged to a sub-account which was not established in job funding or entered on the payroll voucher.

3. Who uses it?
• Fiscal officers
• Delegates
• FMS staff
• Department and campus administrative staff

4. When is it used?
The ST document is used when payroll expense needs to be transferred for a given payroll period before the Effort Certification Documents (effort reports) for that period have been created.

Payroll certification is required by OMB Circular A-21 to document an employee’s time and effort on federally sponsored accounts. At Indiana University this is accomplished through the Effort Certification Document. These documents contain a listing of accounts on which an employee spent time broken down by effort percentages. Payroll expense records must correspond to the accounts and percentages listed on the Effort Certification report. Thus, after these reports have been created for a given period, any changes to payroll expenses on the General Ledger must go through the A21 coordinator for amendment of both the A21 effort report and transfer of expense.

5. Where do I find the ST document?
The Salary Transfer document is found in the Labor Distribution module in KFS. You have the choice to create a new document or search for an existing one.

6. What is unique about it?
The ST document allows the user to:
• Select the salary expense records from the Labor Ledger from the Labor Balance Importing tab.
• Make changes to the amounts in the From section of the Accounting Lines tab and/or delete the line(s).
• Copy the Salary Expense record to be changed from the From section to the To section of the Accounting Lines tab.
• Make changes to the account and/or amount in the To section of the Accounting Lines tab and submit the document.
Ledger Balance Importing Tab

The **Ledger Balance Importing** tab allows the user to enter criteria to search for the Labor Ledger record that needs to be corrected. After the user enters the Employee ID, the name of the employee is displayed on the screen.

![Ledger Balance Importing screenshot](image)

**Ledger Balance Importing tab definitions:**

<table>
<thead>
<tr>
<th>Title</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Fiscal Year</td>
<td>Required. Enter the fiscal year or search for it from the Fiscal Year lookup.</td>
</tr>
<tr>
<td>Emp ID</td>
<td>Required. Enter the employee ID or search for it from the User lookup.</td>
</tr>
</tbody>
</table>

1. Enter the required fiscal year and employee ID and click **search**.
   The system displays the **Ledger Balance Lookup** for the Salary Expense Transfer Document screen.

2. Click **search** again.
   The lookup results list the expenses incurred by the selected employee for the fiscal year by accounting string.

3. Select the checkbox next to the period(s) you want to transfer salary for.

**Ledger Balance Lookup for Salary Expense Transfer Document**

Viewing rows 1 to 8  

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Chart Code</th>
<th>Account Number</th>
<th>Sub-Account Number</th>
<th>Object Code</th>
<th>Sub-Object Code</th>
<th>Balance Type Code</th>
<th>Position Number</th>
<th>Object Type Code</th>
<th>Employee Name</th>
<th>Balance Line Amount</th>
<th>Balance Amount</th>
<th>Account Line Annual Balance Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>1014016</td>
<td>01010101</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>0000010102</td>
<td>12</td>
<td></td>
<td>12.00</td>
<td>94,769.18</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Month</th>
<th>Balance Line Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>July</td>
<td>0.00</td>
</tr>
<tr>
<td>August</td>
<td>16,532.00</td>
</tr>
<tr>
<td>September</td>
<td>16,532.00</td>
</tr>
<tr>
<td>October</td>
<td>16,532.00</td>
</tr>
<tr>
<td>November</td>
<td>16,532.00</td>
</tr>
<tr>
<td>December</td>
<td>16,532.00</td>
</tr>
<tr>
<td>January</td>
<td>16,532.00</td>
</tr>
<tr>
<td>February</td>
<td>16,532.00</td>
</tr>
<tr>
<td>March</td>
<td>16,532.00</td>
</tr>
<tr>
<td>April</td>
<td>16,532.00</td>
</tr>
<tr>
<td>May</td>
<td>0.00</td>
</tr>
<tr>
<td>Year End</td>
<td>0.00</td>
</tr>
</tbody>
</table>
The user now has four options for selecting data:

- **select all** to select all check boxes.
- **unselect all** to clear all check boxes currently selected.
- **cancel** to cancel the search and return to the Salary Expense Transfer document.
- **return selected** after making selections to populate the **From** section of the **Accounting Lines** tab.

### Accounting Lines Tab

The **From** section of the **Accounting Lines** tab is populated by selecting Labor Ledger records using the **Ledger Balance Importing** tab (see above). Amounts in the **From** section may be edited as necessary as long as they do not exceed the amount imported from the Labor Ledger balance screen.

#### Editing the From Section

Edit the **Amt** column in the **From** section to reflect the amount of expense you want to transfer by overriding the amount.

- To delete the line, click the **delete** button in the **Actions** column.
- To delete all lines, click the **delete all** button located above the **Actions** column.
- To inquire G/L balances, click the **bal inquiry** button.

#### Creating Entries in the To Section

After completing the **From** section, the user has two options for copying rows from the **From** section to the **To** section.

- **copy** to copy an individual row in the **From** section to the **To** section.
- **copy all** to copy all the rows in the in the **From** section to the **To** section.
The Accounting Lines tab after the **copy** button has been clicked

## Editing the To Section

Make changes to the editable Chart of Accounts fields and the **Amt** field.

- Click **delete** to delete the row.
- **delete all**
- Click **bal inquiry** to open a separate window for balance inquiry menu.

To delete all lines, click the **delete all** button located above the **Actions** column.

An amount may not be transferred if it exceeds the Labor Ledger balance total for the fiscal year, pay period, chart, account, sub-account, object, and sub-object displayed in the From section. To determine the maximum amount you may transfer, use the Labor Ledger View Balance Inquiry and select the A21 option.

**Very Important!** After submission or upon save, KFS calculates the appropriate fringe benefits for the salary amounts being adjusted. These amounts will be moved along with the salary. These amounts are calculated for the types of benefits defined for the salary object codes on the document on the Labor Object Code Benefits table. The rates for each benefit type are defined in the Labor Benefits Calculation table.

## Process Overview

### Business Rules

- When an effort reporting period (defined by the KFS Report Definition Maintenance document) has a Report Period Status Code of 'C' (Closed), no further transfers of salary expense are allowed for any fiscal period covered by the report period. This restriction includes transfers made directly through a ST document and those made indirectly through re-creating an effort report.

  **Note:** Members of the KFS-SYS Contracts and Grants Manager role may override this restriction.
• The document must have at least one From section and one To section.
• The total of amounts in the From section must equal the amount in the To section in the Accounting Lines tab.
• The sign of the amount must be the same as the sign of the original Labor Ledger balance amount.
• The amount transferred may not be greater than the original Labor Ledger balance amount.
• Only the members of the KFS-SYS Contracts and Grants Processor role are allowed to modify the object code in the To section on initiation. They may not modify the object code later. If changing this results in the generation of a positive or negative fringe benefit balance, the difference is applied to the account identified in the BENEFIT_CLEARING_CHART_OF_ACCOUNTS and BENEFIT_CLEARING_ACCOUNT_NUMBER parameters.
• The object code must exist in the Labor Object Code table and the Financial Object Fringe or Salary Code must have a value of 'S'.
• The Fiscal Year field in this document is used to load the appropriate data onto the Labor Ledger Balance screen rather than to indicate the G/L period in which the entry is posted.

Routing
Fiscal Officers for all From and To accounts must approve the ST document. Additional approvals may be established within the institution's Organization, Subfund or Award (Contracts and Grants) review. Additional approvals may also be designated through ad hoc routing. The document becomes 'FINAL' when the required approvals have been obtained and the transaction has been posted to the Labor Ledger and then to the G/L during the next G/L batch process.

Initiating an ST Document
1. Log into OneStart with OTP token, click on the Administrative Systems tab and select the Kuali Financials portal.
2. In KFS Modules alphabetic list, scroll down to Labor Distribution section. Click on the Create button next to Salary Expense Transfer document. The system displays a blank ST document.
3. Complete the Ledger Balance Import and Accounting Lines tabs, enter values for the Fiscal Year, Chart, Account, and Sub-Account fields and click search.
4. Make selections and click return selected.
5. Make necessary amount changes and/or delete unwanted lines in the From section of the Accounting Lines tab; then copy or copy all the desired rows to the To section and edit those lines as necessary.
6. Click submit. The document is routed to the fiscal officer of the account and may do additional routing as described above.
7. Review the Labor Ledger Pending Entries tab.
8. Review the Route Log tab. The document is routed to the fiscal officers for each account used in the Accounting Lines. The Route Status shows 'ENROUTE'.
9. Appropriate fiscal officers and other reviewers approve the document.

Example
It was discovered that one of the student employees was transferred from one department to another after the payroll was processed and the Labor Ledger was updated in the KFS. As a result, the Accounting Office needs to move the salary and benefit expense associated with this employee from the old account to the new account. To do so, they use the ST document.
ST example