

**Posting Payroll Expenditure to AFS**

Regular biweekly payroll is generally posted on Wednesday night prior to payday. Expenditures related to Off-cycle payroll are posted the following night.

A valid Cost Center must exist for an employee’s payroll expenditures to post to AFS. If the system encounters an **invalid cost center** during the posting process, the “bad” value must be substituted. ISIS HR first attempts to substitute the cost center from the employee’s current Organizational Assignment (IT0001) record.

*(The cost center on IT0001 is referred to as the **Master Cost Center** and is derived from the position cost center relationship (“K”) in Organizational Management. ZP19 (Position Data by Personnel Area) can be utilized to confirm the master cost center on each position.)*

If the cost center on IT0001 is “bad”, it instead substitutes cost center xxxZZZZ (xxx representing agency number). Whenever a cost center is substituted, **WBS Element**, even if valid, is not charged.

**WARNING:** If a cost center substitution is required for expenditures from a previous period, the current cost center from IT0001 is used even if it has a different cost center or agency.

If an **invalid Fund** is encountered, no other value is substituted; the charges post only to the cost center associated with that entry.

**How do I avoid substitutions?**

When notified that a particular Cost Center or Fund is being inactivated, run **ZF09** (Default/Override Cost Distribution Report) to determine which employees/positions have this value and must be maintained. It will also identify whether any current time entries include this value and will need correction. ZF09 reads master data, not actual financial postings to AFS; therefore, it should NOT be used to balance ISIS HR to AFS. **ZF65** (EE Payroll Expenditure Report) is best suited for this purpose.

**How do I know when values were substituted?**

**ZF79** (Cost Center Substitution Report) generates a list of invalid cost centers + new value substituted for the check date range identified. It also provides a list of employee(s) whose record contained the “bad” values and must be corrected. Run after each pay period to identify PR expenditures that may need to be corrected.

<b>Substitution rules</b>			
<i>These rules are applied, regardless of whether the cost values originated on <b>Time, 0027 or 1018.</b></i>			
<b>Cost Center</b>	<b>Fund</b>	<b>Funds Ctr</b>	<b>WBS Element</b>
<b>Invalid</b>	<b>Valid</b>	<b>Valid</b>	<b>Valid</b>
Replaced with IT0001 Cost Center. If IT0001 CC invalid, xxxZZZZ substituted.	Posts	Posts	<b>Not Posted</b> Even if valid, posting to WBS Element does not occur.
<b>Valid</b>	<b>Invalid</b>	<b>Valid</b>	<b>Valid</b>
Posts	<b>Not Posted</b> Not Substituted	Posts	Posts
<b>Invalid</b>	<b>Invalid</b>	<b>Valid</b>	<b>Valid</b>
Replaced with IT0001 Cost Center. If IT0001 CC invalid, xxxZZZZ substituted.	<b>Not Posted</b> Not Substituted	Posts	<b>Not Posted</b> Even if valid, posting to WBS Element does not occur.

**Processing Priority Recap:**

- Cost distribution values on time entry supersede all values that appear on the Position (IT1018) or Employee’s Cost Distribution record (IT0027) for those hours.
- If an active Employee Cost Distribution infotype (0027) exists, the system does not use values on the Position Cost Distribution (IT1018) record.
- If no active Employee Cost Distribution infotype (0027) exists, the system uses value from the Position Cost Distribution (IT1018) record.
- Organizational Assignment (IT0001) master cost center is used when all other cost centers are invalid.
- Substitution cost center xxxZZZZ is the cost center of last resort and will always accept charges. Agencies must correct as detailed in OSUP Memo#2001-55.



**ISIS HR COST DISTRIBUTION QUICK REFERENCE**

*A guide to how ISIS HR processes payroll-related expenditures and posts them to AFS.*

*Values supported include:*

- Cost Center**
- Fund (Reporting Category)**
- Funds Ctr (Sub-Object)**
- WBS Element (Activity Code)**

**ISIS HR utilizes values from Time entry**

Cost distribution values entered in conjunction with absence or attendance hours supersede all cost values that appear on an employee’s IT0027 or the Position Cost Distribution record (IT1018).

then

**Infotype 0027**

If an Employee Cost Distribution record exists, any hours that were not associated with specific cost values in Time are costed in accordance with these values.

then

**Position Cost Distribution**

If no Employee Cost Distribution record exists, all absence/attendance hours not associated with specific cost values are charged in accordance with values on the Position’s Cost Distribution record (IT1018).

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## Time Entry Costing

Individual time entries may be charged to specific cost values. These entries take precedence over any other cost data in ISIS HR.

If costing is *partially* entered on the time file (i.e. 30 hours of the 80 hours worked are entered with cost values), the system will cost the remaining (50) hours to values stored on the employee's Cost Distribution infotype (0027), if it exists, or the Position Cost Distribution infotype (1018).

## Position (IT1018) and Employee (IT0027) Cost Distribution

▪ **Position Cost Distribution (IT1018)** was implemented in July 2006 to define costing on a position instead of requiring it on the employee (IT0027). **ALL** positions must have an infotype 1018 record. If one does not exist, the position's holder will not be paid. **ZP45** (Potential Payroll/FI Audit Error Report) should be generated prior to the biweekly payroll run to check for "Infotype Missing" (1018) error.

▪ **Employee Cost Distribution (IT0027)** is **optional**. This infotype can be used for temporary assignments that have a different fixed distribution from the position's Cost Distribution (IT1018).

ZF65 (EE Payroll Expenditure Detail) can be run to identify payroll expenditures by costing detail (AFS organization, object, Funds Ctr, Fund and WBS Element) that posted on employees for a given period. The report can be used to detail costing data by wage type/cost center/GL account or summarized by GL account/cost center. The information is obtained from payroll posting tables. The report lists the expenditures (including the state share of benefits) by employee, wage type, and number of hours associated with the wage type.

### **The distribution split from infotype 1018 or 0027 affects the following:**

1. All time-related data that is NOT manually redistributed during time entry.
2. IT0014 Payments
3. IT0015 Payments
4. IT0416 Leave payouts

## Further Explanations

### ► Recurring Payments/Deductions (IT0014)

Recurring Payments are distributed according to values on the Employee Cost Distribution (IT0027) if present, otherwise the Position Cost Distribution (IT1018) that is in effect for that specific pay period.

### ► Additional Payments (IT0015)

Additional Payments are distributed according to the Employee Cost Distribution (IT0027) if present, otherwise the Position Cost Distribution (IT1018) that is in effect on the Date of Origin.

*Users have the ability to override the cost data that the system will utilize via the Maintain Cost Assignment functionality.*

### ► Time Quota Compensation/Reduction (IT0416)

Leave payouts are distributed according to the Employee Cost Distribution (IT0027) if present, otherwise the Position Cost Distribution (IT1018) that is in effect on the Start Date of infotype 0416.

*Users have the ability to do specific costing by checking the 'Do Not Account' box on IT0416.*

*When this box is checked, the IT0015 screen is presented where the user can do specific costing via the Maintain Cost Assignment functionality.*

### ► Basic Pay (IT0008)

Wage types that make up an employee's regular pay are charged based on cost values from Time, Employee Cost Distribution (IT0027) or the Position Cost Distribution (IT1018). Special pay wage types, such as WT 0033 (Retention and Recruitment) which do not require time entries are costed based on values stored in the Employee or Position Cost Distribution record for that same period.

### ► Employer Benefits:

- ER share of insurance premiums is proportionately distributed to the same cost values charged for regular base salary.
- ER share of Retirement is proportionately distributed, similarly to insurance, but the basis is eligible retirement wages.
- ER share of Medicare and Social Security are proportionately distributed based on eligible MEDI and SSEC wages.

**Transfer Adjustments:** In order to properly report Health, Life and Dependent Life premiums deducted in advance for employees transferring from one ISIS HR Paid agency to another paid agency, IT0015 entries must be created.

If the transfer occurs after the first day of the pay period, Medical and Life insurance for **employee** and **employer** portions for the current pay period will be split between the losing and gaining agencies based on the number of days the employee worked at each agency. Dependent Life insurance will **NOT** be split between the losing and gaining agencies for the current pay period.

### *How do I calculate the adjustment amount?*

The **employee** and **employer** adjustments for Medical and Life insurance will need to be in the amount of the premiums deducted in past pay periods PLUS the amount that will be charged to the losing agency for the current pay period.

Dependent Life adjustments will **ONLY** be for the amount of the premiums deducted in past pay periods. Current period premiums will reflect with the Gaining Agency.

**Amounts** are **negative** (-) dollars and cents for the **Losing** agency and **positive** dollars and cents for the **Gaining** agency.

### *How are cost values entered in ISIS validated?*

Active Cost Center and Fund information is interfaced from AFS into ISIS HR each night. While you can be assured that values are valid when saved, changes can later occur in AFS which results in a stored value becoming invalid. Correction of these "bad" values is the responsibility of ISIS HR users. Reports do exist that assist you to identify these "bad" values.

ZF10/ZF14 output Positions or Employees that require attention because either their current period **Cost Distribution** (1018 or 0027) or time record includes a "bad" Cost Center or Fund value. These values **must** be replaced prior to the next regular or off-cycle payroll run or substitutions will occur. Generate both reports weekly and on payroll Monday and make any necessary corrections to HR Master Data and/or Time File data.