SALARY ENCUMBRANCES

OVERVIEW

Encumbrances represent expenses that are anticipated to be charged to a budget. You may view the total amount of encumbrances on GrantTracker, and the breakdown by account code can be found on MyFinancial.desktop under the Current Encumbrances report.

Note that encumbrances are for internal planning and monitoring only and will NOT be reflected on invoices or reports to the sponsor. Salary encumbrance data is based on information which originates in Workday.

ENCUMBRANCES IN A HRP WORKDAY WORLD

Workday calculates salary encumbrances for a subset of Budget Type 05 budgets (see Grant Worktag Section on Page 2), within the Budget Type/Class fitting the enterprise definition of grants/contracts. They are encumbered for current fiscal year plus two additional fiscal years (up to 3 years).

All other budgets (including GOF and DOF) are encumbered up to the end of the current fiscal year.

In addition to the above, Workday calculates salary encumbrances based on either (a) costing allocations and their start and end dates or (b) the default cost center on a position.

Though an encumbrance amount may be calculated, the FAS "encumber salary" flag is set to either allow encumbrances (1) or not (0). If the flag is set to not allow encumbrances (0), the transactions are simply ignored by FAS and not posted. This is consistent with the HEPPS era.

PERIOD ACTIVITY PAY

Period activity pay (stipends, GSA) encumbers according to the cost allocation ONLY if the allocation covers the last day of the pay period. If the cost allocation does not cover the last day of the period, the default cost center will be applied. (This is true of the actual expenditures as well).

WHAT HAS CHANGED

HEPPS calculated encumbrances for all Budget Type 05 (Grant) and 06 (Gift) budgets for the current and next biennium (up to 4 years). All other budgets were encumbered up to the end of the current biennium. Period activity pay was encumbered based on distribution end date and allowed mid-cycle end dates.

CHANGES IN TIMING

Beginning with the 7/1-7/15/17 payroll, encumbrances will be recalculated and posted on the same day as the actual expenses. This will occur each pay cycle. These recalculations take into account costing allocation and/or default cost center changes that have been made since the last encumbrance calculation and posting (the previous pay cycle).

Prior to Workday, encumbrances were typically recalculated and posted 3 or 4 days prior to the payroll expenses posting. This occurred each pay period. These recalculations took into account distribution changes that had been made since the last encumbrance calculation and posting (the previous pay cycle).

MORE INFORMATION

To learn more about Workday, please visit https://isc.uw.edu/
For more information about encumbrances, see Fiscal and Grants Impacts of an HRP Workday World Seminar Training Presentation

GRANT WORKTAG

A grant worktag was created in Workday in order to **identify grants** as defined below. The worktag is currently **used for encumbrance and budget end date functionality**. The worktag will help with future functionality such as salary cap cost share and retro salary transfers.

Grants in Workday are defined as **budget type code 05 <u>except</u> the following budget class codes**:
 – 34 Fixed price surplus
 – 45 Staff assignments and service contracts
 – 51 Program Income
 – 52 Clinical salary
 – 53 Consulting Research Funds
 – 55 Affiliated Programs
 – 56 Faculty Salary
 – 57 Royalty Income
 – 59 Misc. Sponsored Program
 – 62 Scholarships
 – 63 Loans
 – 70 Work Study
 – 71 State College Work Study
 – 72 Fed College Work Study