

Retroactive Accounting Payroll Adjustment Process

Introduction

This process will guide departments through the various steps that need completed to retroactively correct the funding source MFK(s) (Master File Key) for payroll already posted to the General Ledger.

This process includes the following:

- **Employee’s regular HR Appointment funding source MFKs.** It does not address percent time change to the individual’s appointment, an increase or decrease in the hourly rate of pay or monthly salary for an individual, etc.
- **Special Compensation payments.** For corrections to retroactive and future payments, review the **Funding changes** section of the [Special Compensation Guidelines](#) for assistance.
- Central administrative units are involved with reviewing and processing PayCVs when the campus department does not have access to do the necessary adjustments. These factors include dependencies on the funding source, organizational unit of the impacted MFK, age of the pay periods, type of pay, etc. Payroll Services, Grant Accounting Office, Accounting & Financial Reporting or UI Healthcare Finance group will be responsible for processing adjustments.

Step 1: Identify your scenario

Choose the scenario below that fits your situation and go to the step noted for that scenario.

Scenario	What process to follow:
Regular Compensation retroactive accounting change	Start at Step 2: HR Change of Status – Accounting Only (COS-ACC only) Transactions
Salary Only/Fringe Only change	Step 3: Retroactive Cost Transfer Justification (CTJ) Forms

NOTE: HR Transaction System and PayCV Access

The HR Transaction System access request form must be completed in Employee Self-Service by a Senior HR Leadership Representative in the employing department and approved before the user can initiate a HR COS-ACC only transaction form.

To find your Senior HR Leadership Representative: Go to Employee Self-Service, My Self Service, University Information, My HR Rep/Workflow Admin/Dept Admin

A separate [PayCV application access request form](#) must be completed and approved through Workflow before the user can complete any necessary departmental PayCV accounting transactions as described in this document.

Step 2: HR Change of Status – Accounting Only (COS-ACC only)

An HR COS-ACC only transaction form should be processed any time a retroactive accounting change is required to update the regular HR appointment funding source MFK(s) of an individual paid either biweekly or monthly in the Human Resources Information System (HRIS) to match what is posted in the General Ledger (GL) and Cumulative Compensation (CumComp). These corrections impact the GL accounting and CumComp financial systems via the Payroll

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Change Voucher (PayCV) application. The salary and fringe benefits payments for individuals paid at the University of Iowa are posted to institutional accounts 5000 through 5998.

Questions regarding the COS-ACC only transaction form and its process, should be directed to [Payroll Services](#).

The steps to perform a COS-ACC only transaction form are as follows:

1. Initiate the COS-ACC only transaction:
 - a. Log into UI Employee Self Service with your HawkID and password. In the left navigation, select Human Resources Systems:
 - i. Select HR Transaction System
 - ii. Under Employment Action Forms, select **Change of Status (COS)**
 - iii. Search/Select employee requiring correction
 - iv. Select effective date for the change. Refer to: [Effective Date of Change](#)
 - v. Under the Reason for Change, select **Accounting Only**
 - vi. **“Who will complete the retro PayCVs?”** (will only appear for monthly appointments):
 1. **Monthly appointments:** (Must select one option only)
 - a. The Dept. will complete the retro PayCVs. (**Highly recommended by Administration**)
 - b. The Dept. will coordinate with AFR, GAO, or the UI Health Care Finance Group, who will complete the retro PayCVs.
 - c. The Dept. requests that Payroll Services completes the retro PayCVs.
 - d. This transaction is not retro. No PayCV required.

NOTE:

- If the effective date is **within the last 90 days and in the current fiscal year**, the department is strongly encouraged to process the PayCVs.
- If the effective date is **greater than 90 days and/or in a prior fiscal year**, the department CANNOT process the PayCVs.
- If the impacted pay periods are a mix of under and over 90 days old, the selected central office will complete the PayCVs for **all pay periods**.

2. **Biweekly appointments:** Payroll Services does **NOT** complete the accounting adjustments (PayCVs) for Biweekly transactions so this question will NOT appear on the COS form. The department is responsible for posting or coordinating with AFR, GAO, or the UI Health Care Finance Group to complete the entries through the PayCV application.

NOTE: The transaction becomes **retroactive** if it is a prior month transaction, completed through workflow **AFTER** the monthly payroll cut-off. In this case, a PayCV is required to correct the financial systems.

- vii. Enter the new MFK Information. The sum of the new MFK entries must equal 100% of salary.
- viii. Remarks section (OPTIONAL): Section is used to add additional information about the correction.

For example:

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1. **Departments** may use this section for internal departmental purposes to document details about the adjustment or provide the specific amount of salary that should be moved for partial month adjustments when the amount is difficult to calculate, for example.
 2. **Payroll Services** may refer to this field for additional information about academic appointment adjustments (e.g., Pay group 8). For example, the department is expecting a certain amount of salary to be transferred to a new MFK for an effective date different than what is on the COS-ACC only transaction form.
- ix. Refresh the form to check data for errors and/or validating MFKs.
 - x. Submit the form to review.
 - xi. If the COS-ACC only transaction impacts a Fund 500 or 510 MFK, Cost Transfer Justification (CTJ) questions are required:
 1. Pay Periods are < 90 days, 2 questions will appear.
 2. Pay Periods are > 90 days, 4 questions will appear.

NOTE: Refer to the [Cost Transfer Policies and Guidelines](#)

- xii. Select finalize form to enter to Workflow.
 1. The form is advanced for approval through the Workflow path via the HR Transaction System. The Workflow path has been predetermined by the department’s Workflow Administrator. It is based on the appointed department of the employee. For HR COS-ACC only transaction forms involving Grant Funds 500/510, this will include a representative from the Grant Accounting Office, based whether the pay period dates impacted are < or > 90 days old. A department can also Ad-Hoc anyone on to the Workflow path as deemed appropriate.

NOTE: The Workflow path has been set up and managed at the local Org/Collegiate level and can be changed or updated as needed by the departmental Workflow Administrator.

To find your Workflow Administrator: Go to Employee Self-Service, My Self Service, University Information, My HR Rep/Workflow Admin/Dept Admin

2. Next Steps –
 - a. Review who/how the PayCV accounting adjustment is completed:

Scenario	Who/How
Monthly and answered The Dept. requests that Payroll Services completes the retro PayCVs.	Payroll Services is responsible for completing all retroactive adjustments (PayCVs). No further action is required by the department.
Monthly and answered ”The Dept. will coordinate with AFR, GAO, or the UI Health Care Finance Group” to complete the retro PayCVs”: Pay Periods > 90 days and/or in a prior fiscal year.	Step 3: Retroactive Cost Transfer Justification (CTJ) Forms
Monthly and answered ”The Dept. will complete the retro PayCVs”: Pay Periods < 90 days and in the current fiscal year.	Step 4: Payroll Change Voucher (PayCV)
Biweekly: Pay Periods > 90 days	Step 3: Retroactive Cost Transfer Justification (CTJ) Forms
Biweekly: Pay Periods < 90 days	Step 4: Payroll Change Voucher (PayCV)

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b. Expected timeframe for the PayCV to be completed:

Who is responsible for the PayCV	Expected timeframe to complete the PayCV
Payroll Services	2-3 business days after transaction form is finalized through HR Workflow.
Other Central Administrative Offices	Within 5 business days upon request of CTJ form.
Department indicated that they will complete the PayCVs	Within 5 business days after the transaction form is finalized through HR Workflow. After time lapses, Payroll Services will verify that the PayCVs are complete and will contact the department if questions.

Step 3: Retroactive Cost Transfer Justification (CTJ) Forms

The Retroactive Cost Transfer Justification (CTJ) forms are needed when the department is responsible for completing the PayCVs and the pay periods are over 90 days old or in prior fiscal year, see scenarios in Step 1 or scenarios at the end of Step 2. Below is how Grants and Non-Grants are handled:

Grant Funds 500/510

If you need assistance from GAO with any retroactive PayCV, send an email to the appropriate Grant Accountant: [Grant Accounting Office \(GAO\)](#). If applicable, attach a copy of the approved COS-ACC only transaction form.

[Cost Transfer Justification Form for Grant Funds 500/510](#)

Payroll or Fringe – Request and Justification Form to Transfer Salary_Fringe Expenses to Sponsored Project Funds (500_510)

Non-Grant Funds

[Request for Non-Grant Retroactive PayCV Form](#)

Following the instructions at the top of the form, complete in full and send an email for approval and processing to the appropriate contact listed at the top of the form, depending on the type of accounts impacted.

NOTE: If the impacted pay periods are a mix of under and over 90 days old, complete the retroactive form for all pay periods and the central office will complete for all pay periods.

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Step 4: Payroll Change Voucher (PayCV)

Per the scenarios noted in Step 1 or at the bottom of Step 2, you may be responsible as the department to complete the PayCV entries. Salary and Fringe corrections must be posted through PayCV for the GL and CumComp systems to be updated, these must match and are utilized for University of Iowa reporting.

[Expected timeframes for PayCV completion](#)

1. Go to [PayCV](#):
 - a. Search for the individual by: Employee ID, University ID, Hawk ID, Last Name or First Name
 - b. Select the appropriate MFK to correct
 - c. Select the appropriate Pay Period or if moving the full 90-day sum, select that icon
 - d. Enter the new MFK and salary amount to be moved, fringe will be calculated automatically
 - e. Select Add Line
 - f. Verify your entry appears correctly
 - g. Submit Correction
 - i. If the PayCV impacts moving funds to a Fund 500 or 510 MFK, two Cost Transfer Justification (CTJ) questions are required.

NOTE: Refer to the [Cost Transfer Policies and Guidelines](#)

- h. A summary that notes your Journal ID and the details of the entry will appear on the screen after submitting the PayCV
2. Additional information in regard to the PayCV application and its usage can be found in the [PayCV User Guide](#).

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Troubleshooting Information

Scenario	Who/How
Identifying and Resolving COS-ACC only transaction to PayCV Discrepancies:	
<p>Payroll Services identifies a discrepancy between the COS-ACC only transaction form and PayCV balances.</p> <p>NOTE: COS-ACC only transaction form and PayCV balance must be aligned.</p>	<ol style="list-style-type: none"> 1. The person who initiated the COS-ACC only transaction and/or processed the original PayCV is identified. 2. Department is responsible: <ol style="list-style-type: none"> a. The appropriate individual will be contacted within 5 business days by Payroll Services. b. The department is responsible for resolving issues originating in their offices within 3 business days of notification. 3. Payroll Services is responsible for resolving issues originating centrally. Will complete within 3 business days of notification.
<p>The department identifies the PayCV entry is incorrect, or not completed for the submitted COS-ACC only transaction.</p>	<ol style="list-style-type: none"> 1. For PayCV errors, the department should identify who processed the PayCV. 2. For PayCVs not completed, verify whether the department or Payroll Services was responsible for completing the PayCV. <ol style="list-style-type: none"> a. Send an email to the appropriate person in the department or in Payroll Services. Include the COS-ACC only transaction #, PayCV journal ID, employee ID number, and any other information to assist in resolving the issue. b. Departments are responsible for correcting errors originating in their offices within 3 business days of notification. c. Payroll Services is responsible for correcting errors within 3 business days from the notification. <ol style="list-style-type: none"> i. Payroll Services will contact the department when the correction is complete.
Other COS-ACC only transaction form questions:	
<p>Requests to return and/or void a COS-ACC only transaction form.</p>	<p>Contact University Workforce Operations. Allow up to 48 hours for a response.</p>
<p>Other retroactive accounting questions related to COS-ACC only transactions.</p>	<p>Contact Payroll Services. Allow up to 48 hours for a response.</p>