RETROACTIVE ACCOUNTING PAYROLL ADJUSTMENT PROCESS

Introduction

This process will guide departments through the various steps to retroactively correct the funding source for payroll already posted to the General Ledger (GL). Changes to Master File Key (MFK) distributions are documented through the HR Transaction system in order to maintain alignment between the Human Resources Information System (HRIS) and the General Ledger (GL)/Cumulative Compensation (CumComp).

Key terms:

Master File Key (MFK): primary input for financial transactions; all transactions require an MFK.

Human Resources Information System (HRIS): system used to maintain employee job details to process payroll.

General Ledger (GL): financial system.

Cumulative Compensation (CumComp): monthly salary and fringe reporting from GL.

Payroll Change Voucher (PayCV) system: application for posting payroll journals and payroll adjustments to GL.

HR Transactions System: application used for initiation and approval of job information for employees.

HR Transaction: Change of Status – Accounting Only (COS-ACC)

A COS-ACC transaction form should be processed to update the HRIS appointment funding source MFK(s) of an employee. The MFK(s) on the transaction form should align with journals and adjustments posted in the GL.

Note: Short-term appointments are not eligible for COS-ACC transactions. If MFK changes are needed on a short-term appointment, contact **hr-transactions@uiowa.edu** for assistance.

Questions regarding the COS-ACC transaction form and its process should be directed to **payroll-services@uiowa.edu**.

To initiate a COS-ACC transaction form:

- Log into Employee Self-Service.
- Select Human Resources Systems in the left navigation menu or dashboard tile.
- Select HR Transaction System.
- Under Employment Action Forms, select Change of Status (COS).
    - Search/Select employee requiring correction.
    - Select effective date for the change. For questions, refer to: **Effective Date of Change**.
    - Under Reason for Change, select Accounting Only.
    - "If this is a prior month transaction, ***complete through workflow after monthly cut-off***, who will complete the retro PayCVs?" (will only appear for monthly appointments).

Who will complete the retro PayCVs?	Description/Restrictions	PayCV Adjustment Completion Guideline
This transaction is not retro. No PayCV required.	Effective date is in future pay period OR Effective date is in current pay period AND transaction is complete through workflow before payroll cutoff	N/A
The Dept. will complete the retro PayCVs.	**Strongly encouraged if** Effective date is in pay period < 90 days in the past AND In current fiscal year AND No change in IACT	Within 5 business days after transaction is complete through workflow.
The Dept. requests that Payroll Services completes the retro PayCVs.	Payroll Services will complete PayCV adjustments.	Within 2-3 business days after transaction is complete through workflow.
The Dept. will coordinate with AFR, GAO, or the UI Healthcare Finance Group to complete the retro PayCVs.	Department must coordinate with central office to complete PayCV adjustments.	Within 5 business days after transaction is complete through workflow.

- If the impacted pay periods are a mix of under and over 90 days old, the selected central office will complete the PayCV adjustments for all pay periods.
- Biweekly employees - Payroll Services does NOT complete PayCV adjustments for biweekly employees. The department is responsible for completing the PayCV adjustments or coordinating with AFR, GAO, or the UI Health Care Finance Group to complete the PayCV adjustments.

- Enter the new MFK Information. The sum of the new MFK entries must equal 100% of salary.
- Remarks section (optional) is used for additional information about the correction.
  - May be used 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.
- Refresh the form to check for errors and validating MFKs.
- Submit the form to review.
- If the transaction impacts a fund 500 or 510 MFK, Cost Transfer Justification (CTJ) questions are required. For questions, refer to **Cost Transfer Policies and Guidelines**.
  - Effective date within 90 days, 2 questions will appear.
  - Effective date > 90 days, 4 questions will appear.
- Select finalize form to enter in workflow.
  - 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 based on the appointed department of the employee. Questions on workflow path should be directed to the department workflow administrator.
  - For COS-ACC transaction forms involving grant funds 500/510, this will include a representative from the Grant Accounting Office, based on whether the effective date is < or > 90 days.

- A department can also ad-hoc anyone on to the workflow path as deemed appropriate.

PayCV Adjustments

Department to Complete PayCV Adjustments

If you indicate on the transaction form that the department will complete the retroactive PayCVs, you/your department are responsible for completing the PayCV adjustments.

To make PayCV adjustments:

- Log into Employee Self-Service.
- Select Business & Financial Systems in the left navigation menu or dashboard tile.
- Select PayCV (Pay Change Voucher) under Financial Systems & Forms.
    - Search for the employee.
    - Select the appropriate MFK to correct.
    - Select the appropriate pay period or if moving the full 90-day sum, select that icon.
    - Enter the new MFK and salary amount to be moved; fringe will automatically calculate.
    - Select 'Add Line'.
    - Verify adjustment appears correct.
    - Select 'Submit Correction'.
        - If the PayCV impacts fund 500 or 510, 2 CTJ questions are required.
    - Summary of adjustment with journal ID appears after submission.

AFR, GAO, UI Healthcare Finance Group to Complete PayCV Adjustments

If you indicate on the transaction form that the department will coordinate with AFR, GAO, or UI Healthcare Finance Group to complete retroactive PayCVs, you will need to contact that central office to complete the PayCV adjustments.

Grant Funds 500/510

If you need assistance from GAO with retroactive PayCV adjustments, send an email to the appropriate grant accountant: **Grant Accounting Office (GAO)**. Attach a copy of the approved COS-ACC transaction form for reference.

Non-Grant Funds/Biweekly Employees

If you need assistance with non-grant fund or biweekly employee retroactive PayCV adjustments, use the **Request for Non-Grant Retroactive PayCV** form. Complete and route the form according to the instructions at the top of the form.

Payroll Services to Complete PayCV Adjustments

If you indicate on the transaction form that the department would like Payroll Services to complete the PayCVs, Payroll Services will complete the adjustments and contact you with any questions or concerns.

Additional Resources

HR Transaction System 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. Once approved, the user can access the HR Transaction application. You can locate your Senior HR Leadership Representative in Employee Self-Service under My Self Service > University Information > My HR Rep/Workflow Admin/Dept Admin.

PayCV Access – You can submit the **PayCV application access request form** to request access to the PayCV application. Requests must be approved through workflow, and new users may need to complete ICON training.

PayCV Functionality – For questions on use and functionality with the PayCV application, refer to the **PayCV User Guide**.

Special Compensation Payments – For corrections to the retroactive and future payments, review the 'Funding Changes' section of the **Special Compensation Guidelines**.