# Contents

**If you have questions or need assistance with costing, contact information for the related Oracle Cloud teams is available on the SkyVU website at:**

**https://www.vanderbilt.edu/skyvu/secure/support.php**

## Section I: Understanding the Payroll Costing Process

### Introduction

**Payroll Costing** – also referred to as labor costing – is the process of determining where to expense a person's compensation and over which period(s) of time.  This is necessary to comply with grant- and contract-funded research as well as the requirements of certain gifts to the university.

Properly costing an individual's labor charges requires significant coordination and attention to detail.

### Application of Costing during Payroll Runs

HCM Specialists enter pay for Vanderbilt faculty, staff and students through Oracle based on their **Assignment** – these components are:

- **Salary** – an amount paid to the person for their work as an employee (i.e., hourly or annually); and/or

- **Award Compensation** – a one-time or recurring amount paid to the person per a specified Plan and Option (ex: Bonus, Lump Sum Payment, Service Free Stipend).  It is important to recognize that:
  - A person *may* receive more than one type of Award Compensation at a time; and
  - The expense for a particular Award Compensation item *may* be recorded separately from the rest of the pay related to the person's **Assignment** by costing that specific pay **Element**.
    *Please refer to **Appendix A** for additional details on Understanding Payroll Elements.*

When payroll runs, the system analyzes the components of the paycheck to determine how to record the expense for each portion:
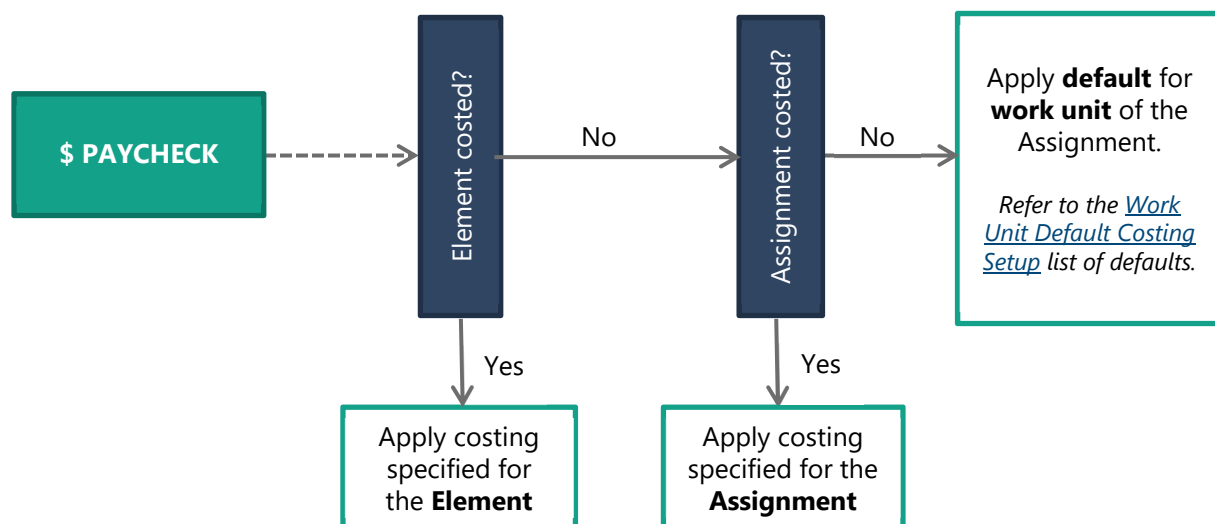
## Important Guidelines for the Costing Process

The Payroll Calendar is integral to the costing process.

1. **You must search for a person by the proper effective date to ensure accurate costing.**

   It is important to search for and view the employee's record in Person Management by the correct effective date.  These dates are based person's payroll relationship (e.g., biweekly, monthly).

   o If you will **Create**, **Update**, or **Correct** costing, you will use the **Pay Period <u>Start</u> Date**.

   o In some cases you will **End Date** a costing – if so, you will use the **Pay Period <u>End</u> Date**.

2. **Costing applies to a full pay period only.**

   Oracle calculates costing for an **entire pay period** based on the costing that is effective as of the **Pay Period End Date** in the payroll calendar.

   If costing needs to change at a point *within* a given period, you must calculate the impact of the change for the *entire* period and enter it accordingly.  *The system will not prorate changes when the effective date selected occurs <u>during</u> a pay period.*

   When payroll is run, the expense will be recorded for the *entire paycheck* based on the costing that is effective as of the **Pay Period End Date**.

3. **Enter all HCM transactions before the deadline to ensure timely, accurate accounting.**

   You must complete entries impacting:

   o *Current or prospective periods* by the **HCM Transaction Cutoff** date for the impacted pay period; and

   o *Prior periods* (i.e., a retroactive costing changes) *and* submit the **Retroactive Salary Transfer Request** to the **Office of Contract and Grant Accounting** (**"OCGA"**) by the **Retro Change Cutoff** date.  (*Note:* The **Retro Change Cutoff** is typically *two business days prior to* the **HCM Transaction Cutoff** date for current and prospective entries. Confirm all dates per the Payroll Calendar.)

## Section II: Accessing the Manage Costing Screen
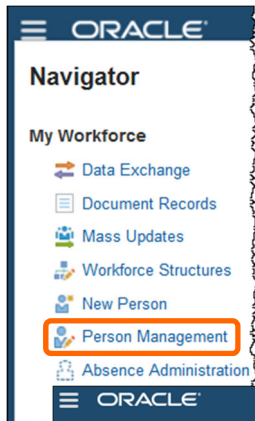
1) Upon determining that a person's costing needs to be changed, log into Oracle Cloud and select **Person Management.**

2) Next, use the **Search** to find the person record.

**IMPORTANT:** When searching, you must update the **Effective As-Of Date** field to the **first day of the current or future pay period** for the costing is to become effective.  This will ensure the correct effective date for the costing.

Enter the pay period start date.

3) Select the person from the list, then click the **Actions** icon to view the available actions.

Then select the **Payroll** category and then select **Manage Costing for a Person**.

*Note: You can also access these actions using the hyperlink for employee's name on the **Search** page to access the **Manage Employment** screen. From that page, click the **Tasks** icon to view and select an available action.*

**Perry Mecium: Person Management**
Person Number
0123456

Manage Employment ✕

**Manage Employment**

Absences
- Manage Absence Records
- Manage Work Schedule Assignment

Payroll
- Manage Costing for a Person
- Manage Personal Payment Methods

4) Review the **Manage Costing for a Person** task and select the **Assignment**.

**Perry Mecium: Person Management**
Person Number
0123456

Manage Costing for a Person ✕

**Manage Costing for a Person: Perry Mecium**

**Costing for a Person Overview**

Actions ▾  View ▾  ✕  Edit ▾

▲ 📁 Payroll Relationship: Worker
    📁 Elements
  ▲ 📁 Assignments
      📁 Assignment:Research Fellow

Done

**(b)** Upon selecting an Assignment, you will see its **Costing**.

*Note: If no costing is specified (as shown in this example), the cost is assigned to the <u>default financial unit</u> associated with the assignment's work unit.*

**Cost Accounts: Assignment: Research Fellow**

Effective Start Date       Effective End Date

Actions ▾  View ▾  Format ▾  ✚  ✕  ▦ Freeze  📄 Detach  »

| Percentage | Entity | NetAssetClass | FinancialUnit | A |
|---|---|---|---|---|
| ...ata to display. | | | | |

**(a)** The left side of the screen identifies the person's **Payroll Relationship** and **Assignments**.

Costing is managed by **Assignment**. Click the name of the **Assignment** for which you need to manage costing.

(Note that other pay elements, such as a one-time payment, may also be costed, as applicable.)
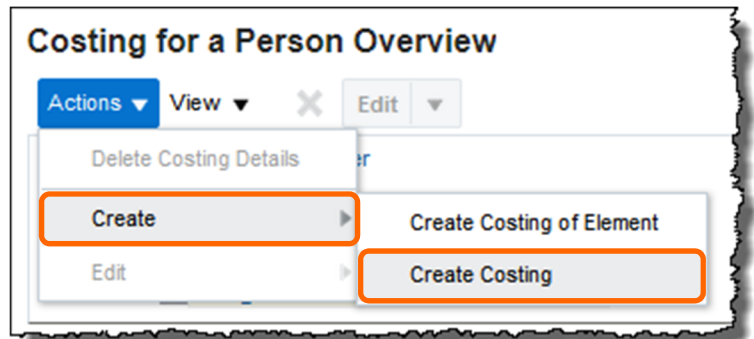
## Section III: Create Costing for an Assignment

**(note: see Section IV to *Create Costing for an Element*)**

1) After selecting the **Assignment**, click the **Actions** button on the left side of the screen under **Costing for a Person Overview**, then select **Create** and **Create Costing**.
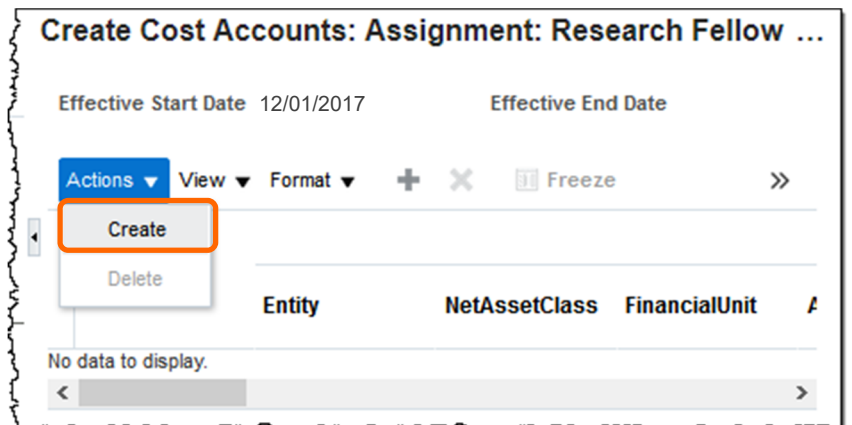


2) Enter the **Effective Date** for the costing update, then click **OK**.

   The effective date should be the **first day** of the **current or future** pay period per the Payroll Calendar.
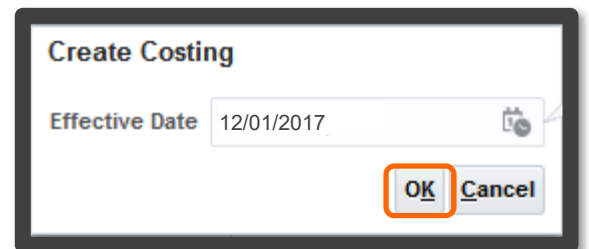


3) The **Effective Start Date** will then be listed under **Create Cost Accounts** on the right side of the page. Then click the **Actions** button under the date and select **Create**.

4) Enter the costing information for the person's assignment. Click the **plus sign (+)** to add line(s) to the costing as needed.

| ❶ Percentage | Entity | NetAssetClass | FinancialUnit | Account | Program | Activity | InterEntity | Future1 | Future2 | Projects | Org | Expenditure Type | Project Task | Allocation Type |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| ❷ 50 | 125 | 05 | 12510 | | 000 | 000 | 000 | 0 | 0 | 0000 | 0000 | 0000 | 0000 | |
| ❸ 50 | 380 | 05 | 38600 | 5140 | 000 | 000 | 000 | 0 | 0 | GC_40016 | 12510 | SalStaff | 1 | |

**Create Cost Accounts: Assignment: Research Fellow Trainee**
Effective Start Date 11/30/2017       Effective End Date
Actions ▾   View ▾   ≫   ✚   ✖   ▤ Freeze   ▦ Detach   ⤵ Wrap

| **Instructions for Entering Costing at the Assignment Level** |
|---|

| ❶ | Enter the percentage(s) for the distribution. You must distribute 100% when creating a costing. Whole percentages are recommended, but percentages can be entered to two decimal places only (e.g., 33.33%). |
|---|---|
| ❷ | When costing to a **COA string**: <ul><li>Enter the related **Entity**, **Net Asset Class** (e.g., 05 – General Unrestricted) and **Financial Unit;**</li><li>Do not enter a value for the **Account** – the account number will be automatically populated based on the payroll run;</li><li>Enter the values for **Program** and **Activity** (note: if not used, enter the default value of 000); and</li><li>Enter default zero values for **InterEntity** (000), **Future 1** (0) and **Future 2** (0) within the COA string fields and the **Project** (0000), **Organization** (0000), **Expenditure Type** (0000) and **Task** (0000) and the POET string fields.</li><li>Do not enter a value for the **Allocation Type**.</li></ul> |
| ❸ | When costing to a **POET string**, you must *always* include the payroll clearing string in the COA fields to ensure correct accounting: <ul><li>In the COA fields, you will *always* enter the *payroll clearing* string exactly as follows: **380.05.38600.5140.000.000.000.0.0**</li><li>Enter your **Project string**:<ul><li>○ **Project Number**</li><li>○ **Organization**</li><li>○ **Expenditure Type** (note: select SalFac for faculty, SalStaff for staff or SalStud for student)</li><li>○ **Task**</li></ul></li><li>Do not enter a value for the **Allocation Type**.</li></ul> |

5) When you have entered and reviewed the costing information for completeness and accuracy, click **Submit** to finish the costing change. *Note that there is no workflow for costing transactions, so you will not receive notifications upon completion.*

**Important: You must enter a full 100% distribution**. The warning displayed will alert you to this issue. Click **Cancel** to return to the costing window and adjust the allocation amount(s) to equal 100%. *Vanderbilt's configuration does not allow for allocation of any remainder to a default per the warning – you <u>must</u> allocate 100%.*

**Warning** ×

The sum of percentages used to allocate costs for the object COST of type ASG is more than zero percent but less than 100 percent. (PAY-1636186) Details: The unallocated percentage will be costed to a default account derived from the employee's work unit or payroll. To avoid allocating costs to the default account, change the percentages for the allocated costs so that they total 100 percent, or delete all of the allocations. Do you want to continue?

Continue    Cancel

6) After submitting, you will return to the **Manage Employment** page. Click **Done** to return to the **Person Management** screen.

**Perry Mecium: Person Management**
Person Number
0123456

Manage Employment ×

**Manage Employment**
**Work Relationship**

Legal Employer    The Vanderbilt University         Country    United States

Worker Type    Employee

7) After you have completed any costing changes, review your costing submissions for common errors by running the **HCM Cost Allocation Verification** report. Note that this report will *only* display costing entries that contain one of these common errors.

If your costing entry appears on the validation report, you should identify the error and return to the costing page immediately to correct it. *Failure to correct costing errors can prevent the employee from receiving a paycheck.*

## Section IV: Create Costing of an Element

**(note: see Section III for Costing of an Assignment)**

In the event you need to cost a portion of the person's Award Compensation *differently* than the Assignment, you can cost that specific element using these steps.

1) After searching for and selecting the **Assignment (Section II)**, click the **Actions** button on the left side of the screen under **Costing for a Person Overview**, then select **Create** and **Create Costing of Element**.
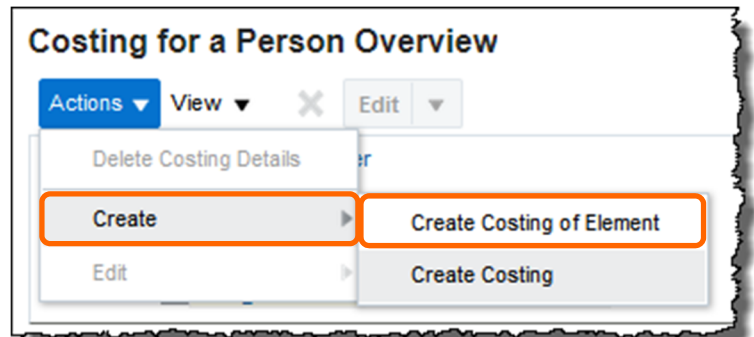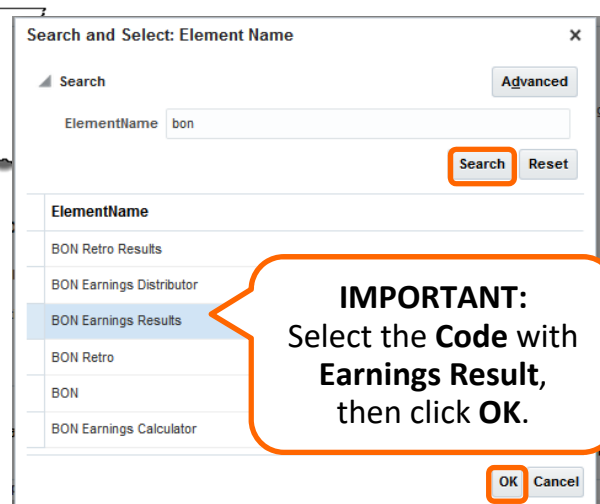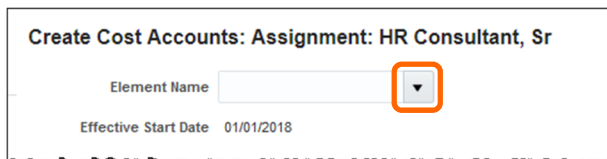
2) Enter the **Effective Date** for the costing update, then click **OK**.

   The effective date should be the **first day** of the **current or future** pay period per the Payroll Calendar.
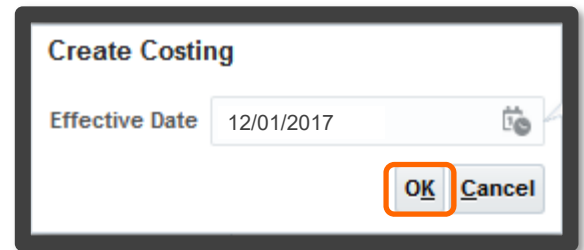
3) Select the **Element Name** you want to cost from the drop-down list (use **Search** as needed).

   The **HCM Award Compensation Resource Guide**, available on the SkyVU website on the HCM Specialist resource page at: https://www.vanderbilt.edu/skyvu/hcm-specialists.php lists the each compensation plan and option with its related **Code**.

   **IMPORTANT:** Select the **Code** with **Earnings Result**, then click **OK**.

4) The selected **Effective Start Date** and **Element** will then be listed under **Create Cost Accounts** on the right side of the page.

Click the **Actions** button under the date and select **Create** (or click the **plus (+) sign**) to add a row and begin costing the element.

5) Enter the costing information for the selected *element*. Click the **plus sign (+)** to add line(s) to the costing as needed to distribute **100%** of the pay for the assignment. **Review all entries carefully, as the system will not validate the entered COA or Project string(s).**



| **Instructions for Entering Costing at the Element Level** |
|---|

| ❶ | Enter the percentage for the distribution. You must distribute 100% when creating a costing. Whole percentages are recommended, but percentages can be entered to two decimal places only (e.g., 33.33%). |
|---|---|
| ❷ | When costing to a **COA string**: <ul><li>Enter the related **Entity**, **Net Asset Class** (e.g., 05 – General Unrestricted), **Financial Unit** and **Account;**<ul><li>*Note: element costing differs from costing at the assignment level as shown in Section III where COA excludes account number*</li></ul></li><li>Enter the values for **Program** and **Activity** (note: if not used, enter the default value of 000); and</li><li>Enter default zero values for **InterEntity** (000), **Future 1** (0) and **Future 2** (0) within the COA string fields and the **Project** (0000), **Organization** (0000), **Expenditure Type** (0000) and **Task** (0000) and the POET string fields.</li><li>Do not enter a value for the **Allocation Type**.</li></ul> |
| ❸ | When costing to a **POET string**, you must *always* include the payroll clearing information to ensure correct accounting: <ul><li>In the COA fields, you will *always* enter the *payroll clearing* string exactly as follows: **380.05.38600.5140.000.000.000.0.0**</li><li>Enter your **Project string**:<ul><li>**Project Number**</li><li>**Organization**</li><li>**Expenditure Type** (e.g., SalFac for faculty, SalStaff for staff, SalStud for student)</li><li>**Task**</li></ul></li><li>Do not enter a value for the **Allocation Type**.</li></ul> |

6) When you have entered and reviewed the element costing information for completeness and accuracy, click **Submit** to finish the costing change. *Note that there is no workflow for costing transactions, so you will not receive notifications upon completion.*

**Important: You must enter a full 100% distribution**. The warning displayed will alert you to this issue. Click **Cancel** to return to the costing window and adjust the allocation amount(s) to equal 100%. *Vanderbilt's configuration does not allow for allocation of any remainder to a default per the warning – you <u>must</u> allocate 100%.*

**Warning**

The sum of percentages used to allocate costs for the object COST of type ASG is more than zero percent but less than 100 percent. (PAY-1636186) Details: The unallocated percentage will be costed to a default account derived from the employee's work unit or payroll. To avoid allocating costs to the default account, change the percentages for the allocated costs so that they total 100 percent, or delete all of the allocations. Do you want to continue?
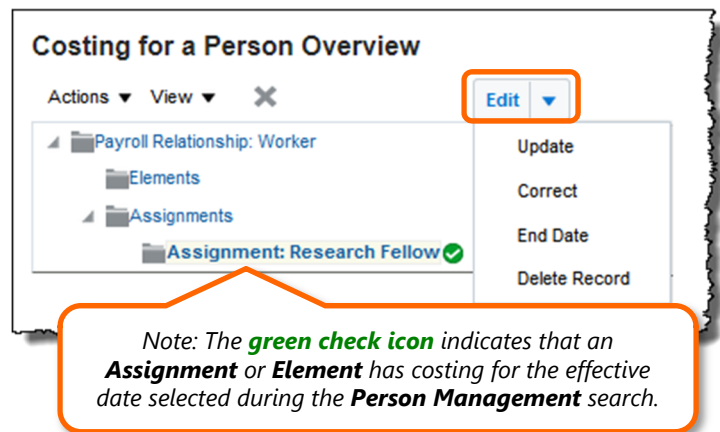
Continue    Cancel

7) After submitting, click **Done** to return to the **Person Management** screen.

8) After you have completed any costing changes, review your costing submissions for common errors by running the **HCM Cost Allocation Verification** report. Note that this report will *only* display costing entries that contain one of these common errors.

If your costing entry appears on the validation report, you should identify the error and return to the costing page immediately to correct it. *Failure to correct costing errors can prevent the employee from receiving a paycheck.*

## Section V: Change the Costing for an Assignment/Element
### (retroactive, current, or prospective)

Once an **Assignment** or **Element** within an assignment has been costed, an HCM Specialist can make changes using the **Edit** menu within the **Manage Costing for a Person** screen on a current, prospective or retroactive basis.

**Costing for a Person Overview**

Actions ▼   View ▼   ✖          Edit ▼

▲ 📁Payroll Relationship: Worker
    📁Elements
  ▲ 📁Assignments
    📁Assignment: Research Fellow ✅

Edit menu options:
- Update
- Correct
- End Date
- Delete Record

*Note: The **green check icon** indicates that an **Assignment** or **Element** has costing for the effective date selected during the **Person Management** search.*

The actions available within this menu are:

| Option | Use this to... | Effective Date for Search in Person Mgmt |
|---|---|---|
| **Update** | Specify a different costing to begin as of the selected effective date | First day of the pay period that the costing is to be effective |
| **Correct** | Revise an existing costing for the selected effective date range | First day of the pay period that the costing should be (or should have been) effective |
| **End Date** | End the existing costing as of the selected effective date | Last day of the pay period for which the selected costing is to be effective |
| **Delete Record** | Remove the existing costing completely | First day of the pay period that the costing should be removed |

### Important Information when Making Changes to Costing

**(1) Dates are very important.** Before changing any costing records, ensure that you have reviewed the costing history and then selected the correct effective start date, end date or range of effective dates.

**(2) Enter all changes to reflect the desired result had the entry been done correctly during the impacted period(s).** If you are changing a costing record that will impact a prior period, you should enter the costing as it should have been during the period.

(3) **Report all changes impacting prior periods to OCGA.** If you are changing costing such that *any* prior period is impacted, you must complete and submit a **Retroactive Salary Transfer Request Form** to **OCGA** for review regardless of funding source.

You must include a cost transfer memo if the retroactive change impacts one or more externally-funded grants.

## Before Entering Changes: Prepare to Revise Costing

Before making changes to any assignment or element costing, you must review its **History** to determine which **period(s)** have costing entries.

To do this, select the **Assignment/Element** from the left side of the page, click **History** and then **expand** the list to view the historical periods. Click **OK** to close the window when finished.



> All effective costing entries –including past, current and future pay periods – will be displayed here.
>
> *Hint: you can select the columns for the costing history table within the **View** menu above the table.*

The **History** window tells us that for the above person, the following periods have costing specified other than the default for the work unit:



> *Created initially for: 01/01-04/30/2018**

> *Changed again for the period: 06/01/2018 and forward*

| Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 | Sep 2018 | Oct 2018 | Nov 2018 | Dec 2018 |

> *Changed for the period: 05/01-05/31/2018*
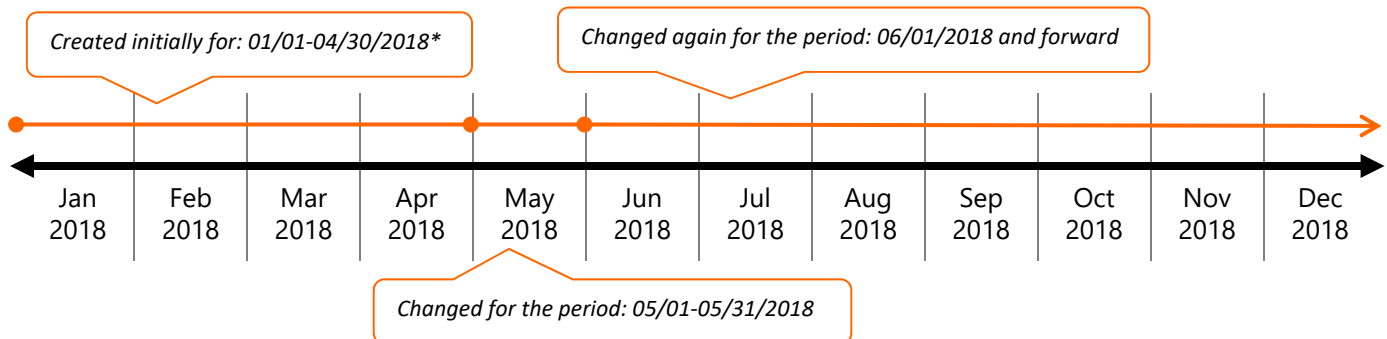
*\* **Note:** The period indicated as "Created" is the first period that the assignment has costing other than the default. Because costing can be updated retrospectively, this does not necessarily correspond with the date that the costing was <u>entered</u>.*

Once the proper <u>period</u> has been selected, you must follow the instructions in **Section III (Step 4) or Section IV (Step 5)** for entering and submitting the detailed costing line(s) for the assignment or element, respectively.

*We will now use this example to illustrate how to use the **Edit** options to select the correct period(s) when entering costing revisions in Examples A-D below.*
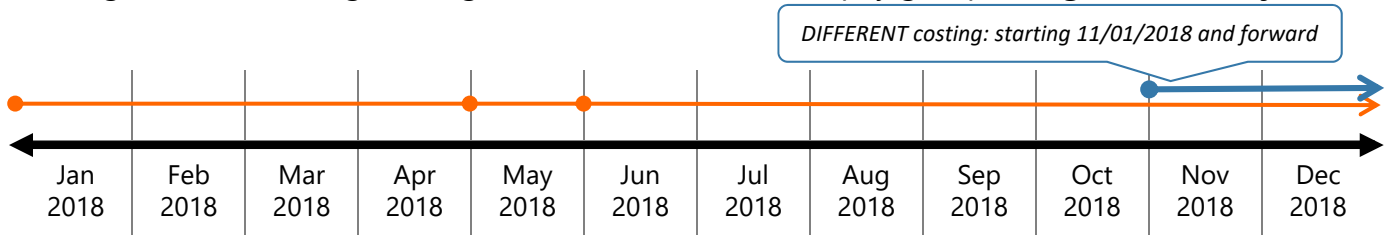
## (A) Entering Changes using UPDATE

Use **Edit > Update** to specify a new/different costing that will *begin* as of the selected effective date.
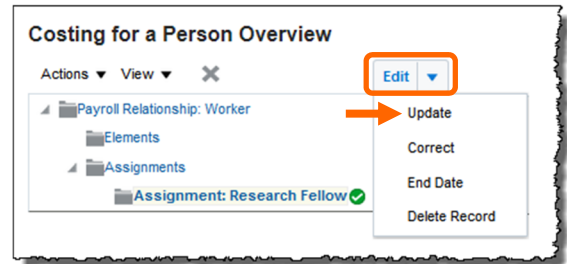


### Example A: Current or Prospective Update

It is October 15$^{th}$, and this person's assignment costing needs to be changed from the current costing to a new costing starting as of November 1$^{st}$. The pay group is **Regular Monthly**.





(1) Search in Person Management using the **Effective As-of Date** on the first day of the pay period when the change will be effective (i.e., November 1, 2018), then select **Manage Costing for a Person**.

(2) Select the **Assignment/Element** – note that the **Effective Start Date** automatically populates based on the **Effective As-of Date** per your search in the prior step.



(3) Select **Edit > Update** Then enter the costing for the period. Note that no **Effective End Date** has been specified, so the costing will continue going forward unless an update is made for a future period.
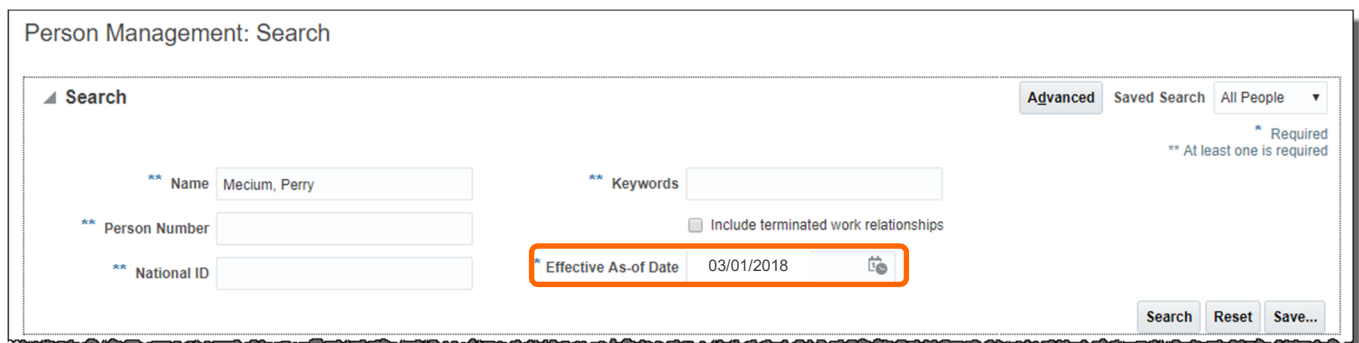
**Example B: Retroactive Update**

It is May 15th, and you determine that the costing 03/01-04/30/2018 must be changed. The pay group is **Regular Monthly**.
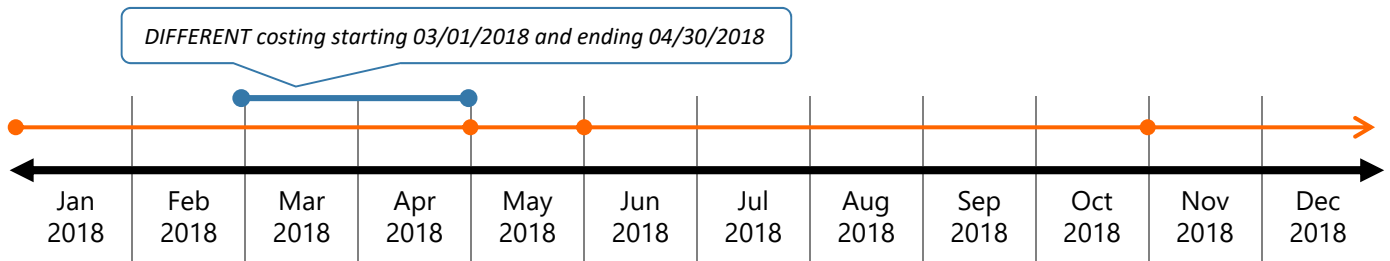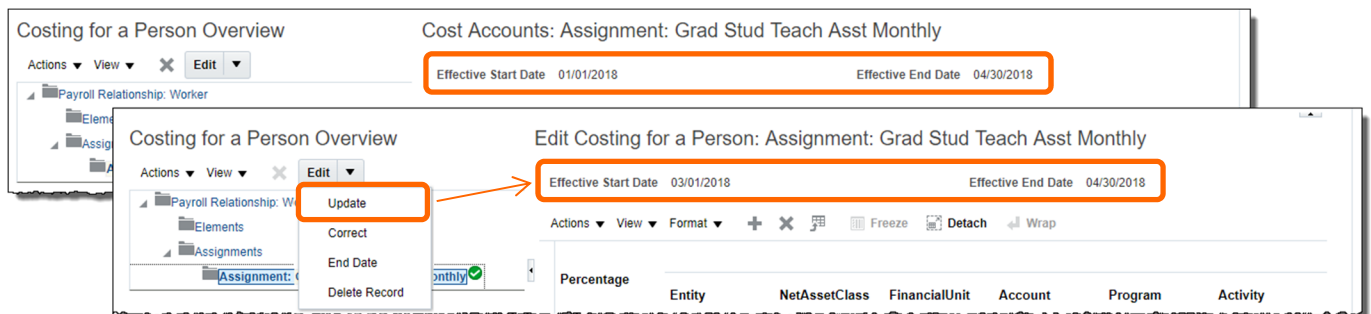


Note that this change has the same **Effective End Date** as the *existing* 01/01-04/30/2018 costing. As a result, you will use **Update** to make this retroactive change.

(1) Search in Person Management using the **Effective As-of Date** on the first day of the pay period when the change will be effective (i.e., March 1, 2018), then select **Manage Costing for a Person**.



(2) Select the **Assignment**. Note that the **Effective Start and End Dates** for the period that has been costed are populated.



(3) Click **Edit > Update** – the **Effective Start Date** for the updated period automatically populates based on the **Effective As-of Date** per your search in the prior step. Enter the costing for the period. Because the Effective End Date was the same as the period previously costed, no additional entries will be needed.

(4) The effective dates for the prior two months that *did not* require a change (i.e., 01/01-02/28/2018) have been updated automatically based on the update.



(5) Complete and submit a **Retroactive Salary Transfer Request Form** to **OCGA** for review.
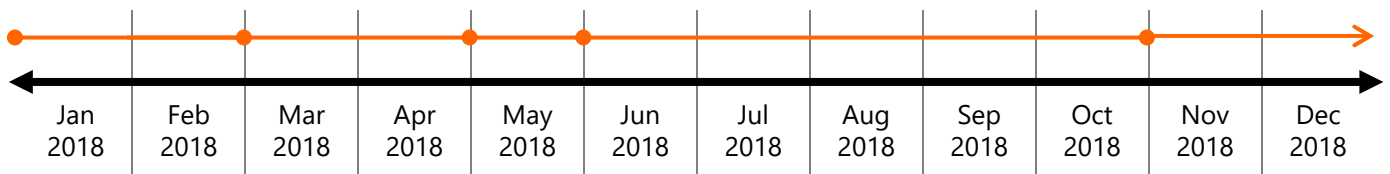
### *Summary*

### Impact of Update in Examples A & B

Using **Update** will typically *increase* the number of date-effective records for the **Assignment/Element**.

The **History** reflects all of the effective date ranges for which costing has been specified – note that there are now *five* entries for this person (increased from *three* entries prior to updates).
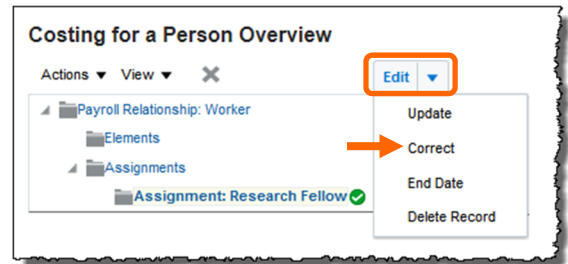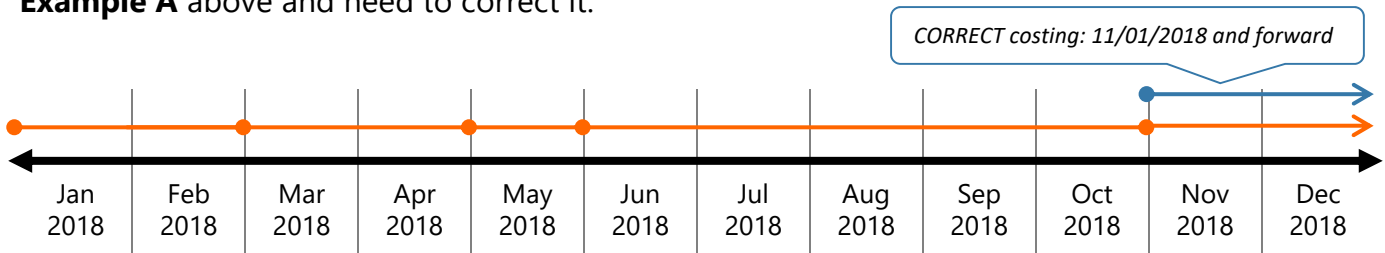
## (B) Entering Changes using CORRECT

Use **Edit > Correct** to change the costing applied to the *entire* selected effective date range.



### Example C: Current or Prospective Correction

It is October 15th.  Upon reviewing the **HCM Cost Allocation Verification** report, you realize that you have made a mistake in entering the costing for the 11/01/2018 and forward period in **Example A** above and need to correct it.

*CORRECT costing: 11/01/2018 and forward*



| Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 | Sep 2018 | Oct 2018 | Nov 2018 | Dec 2018 |

(1) Search in Person Management using the **Effective As-of Date** on the first day of the pay period when the change will be effective (i.e., November 1, 2018), then select **Manage Costing for a Person**.
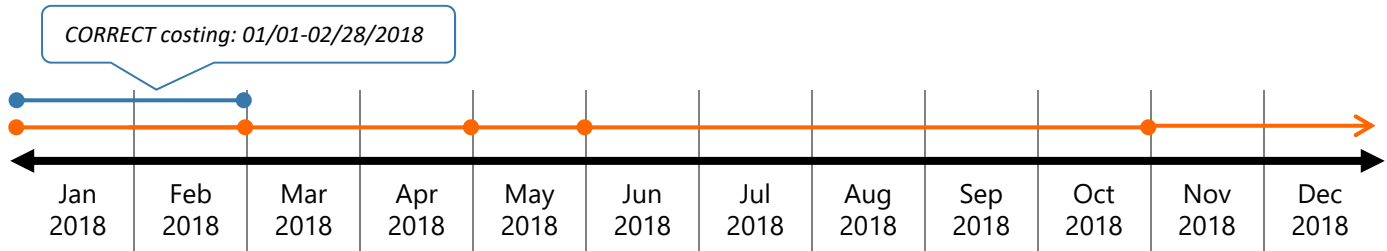


(2) Select the **Assignment** and note that the **Effective Start Date** automatically populates based on the **Effective As-of Date** per your search in the prior step. Select **Edit > Correct**, then enter and submit the correct costing for the selected period.

**Example D: Retroactive Correction**

It is April 15th. Based your faculty member's effort certification review, the costing during the months of January and February 2018 needs to be reallocated for this user. Because the period needing adjustment has the exact same starting and ending effective dates as a period that has already been identified, you can use **Correct** to make the adjustment.



(1) Search in Person Management using the **Effective As-of Date** on the first day of the pay period when the change will be effective (i.e., January 1, 2018), then select **Manage Costing for a Person**.



(2) Select the **Assignment** and note that the **Effective Start and End Dates** automatically populate based on the **Effective As-of Date** per your search in the prior step. Select **Edit > Correct**, then enter and submit the correct costing for the selected period.



(3) Complete and submit a **Retroactive Salary Transfer Request Form** to **OCGA** for review.

## (C) Entering Changes using END DATE

Use **Edit > End Date** to stop applying costing as of the selected pay period end date.

***Important:*** *Do not use this option for a prior period if you intend to retain costing entries with effective dates subsequent to the selected End Date.*
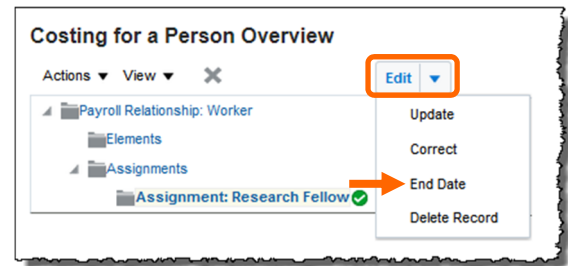
The **End Date** option will end *all* costing for the **Assignment** or **Element** from the selected date forward as follows:

- **Assignment:** Selecting to **End Date** an Assignment will return the costing for that assignment to the **default for the work unit**.

- **Element:** Selecting to End Date an Element will return the costing for that element to the costing for the related **Assignment**.

Once costing is ended via the **End Date** option, you must use **Create** to cost that assignment or Element at a future date (see **Sections II and III**).
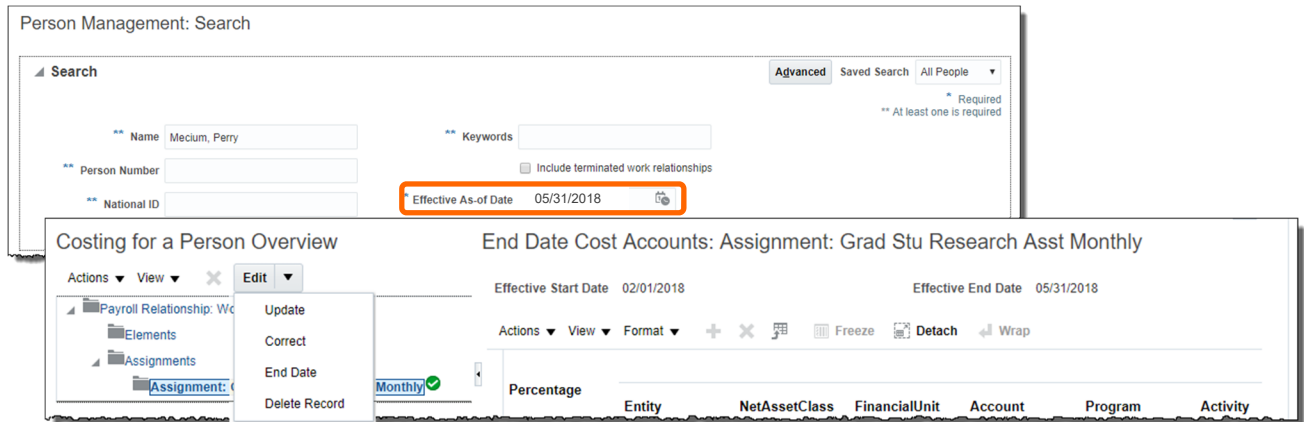
### Example E: End Costing

It is May 1st.  A graduate student has been working in your area since February 1, and the work is funded partially by the department (via the default for the work unit) and partially by a grant-funded research project.

The grant funding will be ending on May 31st, but the department will continue to pay for them to work in the area over the summer (i.e., via the default costing).

END costing: 05/31/2018

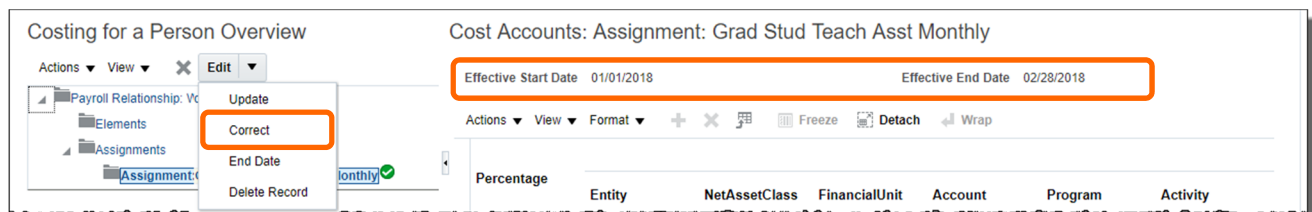| Jan 2018 | Feb 2018 | Mar 2018 | Apr 2018 | May 2018 | Jun 2018 | Jul 2018 | Aug 2018 | Sep 2018 | Oct 2018 | Nov 2018 | Dec 2018 |
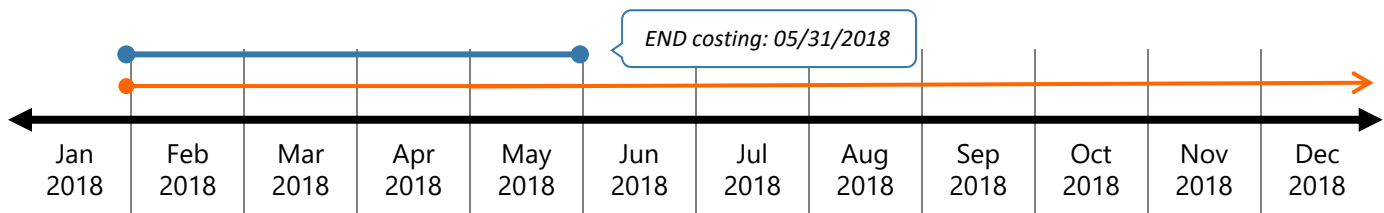
(1) Search in Person Management using the **Effective As-of Date** on the last day of the pay period when the change will be effective (i.e., May 31, 2018), then select **Manage Costing for a Person**.



(2) Select the **Assignment/Element** – note that the **Effective Start Date** automatically populates based on the **Effective As-of Date** per your search in the prior step.  Select **Edit > End Date** to return the Assignment costing to the default for the work unit.

---

## (D) Delete a Costing Entry using DELETE RECORD

Use **Edit > Delete Record** to remove a costing record from an Assignment or Element.



***Important:***

- Costing entries are dependent on their effective dates (i.e., date-effective records).

- Selecting **Delete Record** will remove the entire specific record, but the other entries created within that costing will remain.

- In addition, the **Effective End Date** of the *previous* record (if any) will be set to the **End Date** of the record you are *deleting* in order to eliminate any gaps in the history.  A pop-up box will be displayed to alert you of this – you will need to confirm this prior to deletion.

**Example F: Delete a Record without an Effective End Date**

It is October 15th.  It is determined that the person's costing that was intended to become effective on 11/01/2018 will not be needed and the costing in effect during the period of 06/01-10/31/2018 should continue for the foreseeable future.



Costing of Element History

| Object Name | Effective Start Date | Effective End Date | |
|---|---|---|---|
| Person Costing: 30000 | 11/01/2018 | | Added in **Example A** |
| Person Costing: 3( | 01/01/2018 | 02/28/2018 | Created |
| Person Costing: 3( | 06/01/2018 | 10/31/2018 | CostAllocationRecordId: ProgramId |
| Person Costing: 3( | 03/01/2018 | 04/30/2018 | Added in **Example B** |
| Person Costing: 3( | 05/01/2018 | 05/31/2018 | |

Columns Hidden   2

DELETE record: 11/01/2018 and forward



Jan 2018, Feb 2018, Mar 2018, Apr 2018, May 2018, Jun 2018, Jul 2018, Aug 2018, Sep 2018, Oct 2018, Nov 2018, Dec 2018

(1) Search in Person Management using the **Effective As-of Date** on the first day of the pay period when the change will be effective (i.e., November 1, 2018), then select **Manage Costing for a Person**.
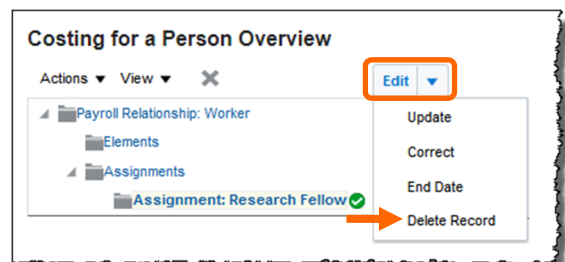


(2) Select the **Assignment** and then **Edit > Update** – note that the **Effective Start Date** automatically populates based on the **Effective As-of Date** per your search in the prior step.

(3) Note that after you **Delete Record**, the record as of 11/01/2018 now shows the **Effective Start Date** for the costing is 06/01/2018, which is the start date for the previous record.

Because there was no **Effective End Date** for the record you *deleted*, there is no **Effective End Date** for this record now that the deletion is completed.



**Example G: Delete a Record with an Effective End Date**

It is October 15th.  It is determined that the person's costing that was in effect from 01/01/2018 – 2/28/2018 should also be in effect for the period 03/01/2018-04/30/2018.



DELETE record: 03/01/2018-04/30/2018



(1) Search in Person Management using the **Effective As-of Date** on the first day of the pay period when the change will be effective (i.e., March 1, 2018), then select **Manage Costing for a Person**.

(2) Select the **Assignment/Element** – note that the **Effective Start Date** automatically populates based on the **Effective As-of Date** per your search in the prior step.

Select then **Edit > Delete Record** to remove this record.



(3) Note that after you **Delete Record**, the record with **Effective Start Date** as of 01/01/2018 now shows the **Effective End Date** of 04/30/2018, which is the end date for the record you *deleted*. This closes any gaps in the costing history.

**Appendix A: Understanding Payroll Elements**

# Understanding Payroll Elements

Payroll Element
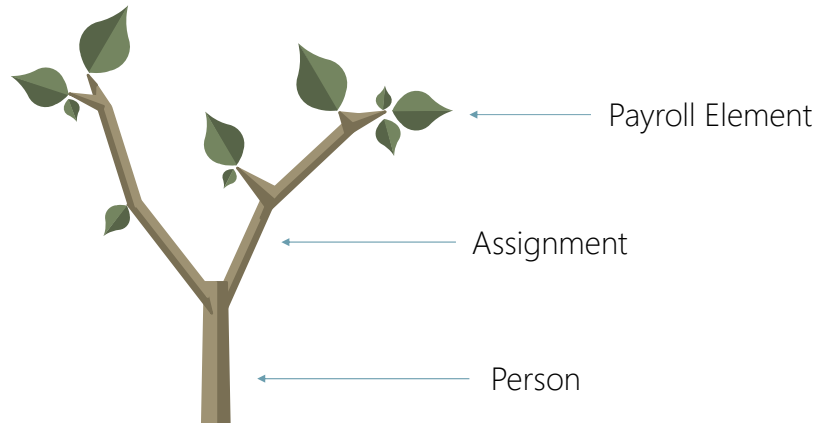
Assignment

Person

# Understanding Payroll Elements

A payroll element exists for each "type" of pay a person may receive related to their job, or "assignment"

Examples include:
- Regular Earnings
- Premium Time
- Supplemental Pay
- Summer / Maymester
- Stipend
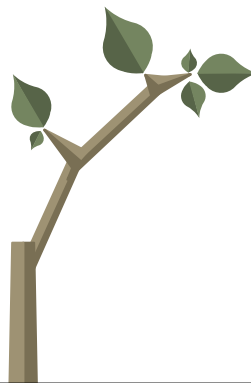
# Understanding Payroll Elements

Earnings are specific to elements on a particular assignment. A person may receive pay from the same type of element but on different assignments.

Common examples include
- A student employee's wages from more than one on-campus job
- A graduate student with more than one stipend

# Understanding Payroll Elements

Payroll Elements,
*Assignment 1*

Payroll Elements,
*Assignment 2*

**Assignment 1**,
*Graduate School*

**Assignment 2**,
*Chemistry*

# Labor Cost Inheritance Pyramid

Elements

Assignments

Work Unit

An element may be specifically costed by establishing an accounting distribution on that element's earning results. If an element has specific costing, the natural account must be explicitly defined.

Earning results for elements without specific accounting distributions on the assignment will inherit the assignment's costing.

An assignment may be specifically costed by establishing an accounting distribution for the assignment. For any earning results on elements that do not have a more specific costing, this assignment costing dictate the accounting distribution. If an assignment has specific costing, the natural account must be blank and the value is automatically derived during payroll processing based on the configuration of the type of pay.

Earning results for elements without specific accounting distributions on assignments without specific accounting distributions will inherit the related work unit's default costing.

Every assignment is in exactly one (1) work unit. For assignments without specific costing, related earning results will have the work unit's default costing as the accounting distribution: The corresponding entity and financial unit, a net asset class of general unrestricted funds, the natural account corresponding to the type of pay's configuration, and default values for program and activity (000).

**Note**: Incomplete assignment costing (x < 100%) will not "default" under Vanderbilt's configuration because we have more than one natural account for faculty, staff, student, and stipend payments.

# Understanding Payroll Elements

Worked Example

Lump Sum
Earning Results

**Assignment 1**,
*Graduate School*

Neither the assignment nor individual elements have specific costing. Pay on any element on this assignment will distribute to the work unit's default.

**Assignment 2**,
*Chemistry*

The entire assignment has been specifically costed to one or more COA/POET strings. Any earnings on this assignment will follow the assignment's specific costing (not the work unit default), except the highlighted element which has separate, specific costing.

# Understanding Payroll Elements

## Worked Example
with COA/POET details

Lump Sum
Earning Results

This element has been specifically costed to the divisional dean's office in the College of Arts & Science:

*100% - 125.05.12500.5120.000.000.000.0.0.0000.0000.0000.0000*

*Because elements are the finest level of detail available for costing, when a distribution is specified, all fields must have a value – the user must specify the natural account, and if no POET is used, each POET field must contain '0000'*

### Assignment 1,
*Graduate School*

Because no specific element, or the assignment, have specific costing, earnings results for any element type on this assignment will assume the accounting distribution of the Graduate School Office of the Dean work unit default:

*100% - 160.05.16000._____.000.000.000.0.0*

*The natural account here is auto-populated during payroll calculations based on the type of pay and characteristics of this person's HCM record. For example, if pay is related to a stipend, the natural account will be 6750, but if its related to labor, the natural account will be 5130.*

### Assignment 2,
*Chemistry*

This assignment has specific costing applied, splitting earnings, regardless of element type, between a grant and general unrestricted departmental funds where a program/activity have been specified:

*40% - 380.05.38600.5140.000.000.000.0.0.GC_400090.12520 – Chemistry.SalFac.1*
*60% - 125.05.12520._____.100.100.000.0.0*

Although Chemistry's default costing is 125.05.12520._____.000.000.000.0.0, pay will follow the specific assignment costing for this person, except for the specifically costed element to the dean's office.

# Appendix B: Recommended Reports during the Costing Process

The following reports are available to HCM Specialists in the Departmental Playbook and recommended for use during the costing process:

| Report Name | Recommended Use: |
|---|---|
| **HCM Assignment Cost Allocation Plan**<br><br>*Lists the Assignment costing by person for a specified Business Unit or Work Unit.  When no costing specified, default costing is applied.*<br><br>**HCM Element Cost Allocation Plan**<br><br>*Lists the Element costing by person for a specified Business Unit or Work Unit.  When no costing specified, default costing is applied.* | Review current costing for Assignment or Element in advance of HCM transaction deadlines to ensure correct costing will be applied. |
| **HCM Cost Allocation Verification Plan**<br><br>*Reports if one of eight common errors exists for the COA or POET costing string entry.* | Review each time costing entries are made to identify if you have made one of eight common errors when entering your costing entry. |
| **HCM Costing Detail**<br><br>*Extracts detailed download of the costing applied to an individual or group of individuals (e.g., work unit, business unit) for a specified date range.* | Review actual costing results applied for a person or in a specified date range. |