

Overview and Perspective

Financial Management Year-End Financial Review – General Guidance

Organizations should be reviewing their financial reports on a regular basis, but it’s especially important as we approach fiscal year-end. Running the Spendable Balance Report is a good first step to reviewing your financial activity. Any chartstrings with a negative available balance (deficit) should be further investigated. Organizations should review the detail posted to these chartstrings (using Ledger Detail Report) to ensure that no transactions were posted in error. Corrections must be made through Labor Accounting if the transaction is labor based.

The Year-End Close process provides an opportunity for departments to review departmental labor charges to ensure that labor costs are being appropriately and accurately associated with their relevant source of funds in the General Ledger. It is also an opportunity to ensure the accuracy of any remaining encumbrances at year-end.

What You Should Do

Review labor charges in Labor Accounting:

- Confirm that Labor Accounting expense charges for individuals, including graduate student support, are reflected against correct earnings codes and against correct chartstrings.
- Confirm that **FY21** and **FY22** distributions are correct.
- Move any staff who may have defaulted incorrectly to A0000 or A0001 to other funds, if part or all of their compensation is to be covered by other fund sources.
- Confirm open encumbrances reflect outstanding unpaid payroll commitments on correct chartstrings.

- Review any remaining **FY21** and **FY22** encumbrances for clean-up and resolution:
 - **FY21** remaining labor encumbrances will be automatically removed during the **FY22** Year-End process.
 - **FY22** remaining labor encumbrances will be restated in **FY23** on the General Ledger during the **FY22** Year-End process.

This Labor Accounting (LA) Reference Guide includes 4 sections:

1. Invalid Distribution Chartstrings for Labor Charges
2. Labor Accounting Warehouse Reports for Reviewing Departmental Labor Costs
3. Finding help in LA for Making Changes to Commitments and Distributions
4. Helpful links for further information about LA.

1. Invalid Distribution Chartstrings for Labor Charges

The Office of Finance and Treasury has put together a set of chartstring combination “rules” for assistance in cleaning up departmental labor charges for Year-end close. There are certain ChartField

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combinations that are not considered to be valid on the PeopleSoft Financials General Ledger. While the University enforces some of these combo-edit rules through PeopleSoft Financials directly (*for instance any G0001 Fund transactions require a Project and Activity*), not all are systematically enforced.

Below is a set of ChartField combo-edit rules that should be followed. Please use the Labor Accounting Warehouse Reports to review the ChartField combinations in use for your department, and if you notice any of these “invalid” ChartField combinations, please modify the distributions for your faculty, staff and graduate students accordingly in the LA application. You can contact the Financial Service Center (“FSC”: 258-3080 or finance@exchange.princeton.edu) or LA Manager Clara Richardson if you need guidance on how to make corrections. Finance & Treasury staff may also be reaching out to your organization directly on how to “clean-up” these invalid ChartField combinations.

The following table provides the detailed distribution chartstrings which should contain NO labor expenses:

Invalid Distribution ChartField Combinations Table

Department	Fund	Account	Program	Site	Project	Act	Notes:
All Depts	A0000		F%				NO labor costs on these Fund/Program chartstrings.
All Depts	A0000		GA%				NO labor costs on these Fund/Program chartstrings.
All Depts	A0000		VA%				NO labor costs on these Fund/Program chartstrings.
All Depts	A0000		OA%				NO labor costs on these Fund/Program chartstrings.
All Depts	A0014						NO A0014 Distributions more than 3 months. Distributions should be moved to the appropriate sponsored research project. After 90 days, a transfer to a sponsored project includes a Cost Transfer Justification in the approval workflow.
All Depts	A0014	5531					Graduate student base fellowship stipend
All Depts	A0014	5511					Graduate student base fellowship tuition support
All Depts	A0014	5201					Graduate student AI salary
All Depts	A0014	5511					Graduate student AI tuition support
Admin Depts	A0001						NO labor costs on A0001, A0002, A0003, A0024 in Administrative depts.
	A0002						
	A0003						
	A0024						
Acad Depts	A0000					ONLY for faculty on teaching budget, graduate student AI's, graduate student AR cost share tuition. PDRF's (earning code 172) must use A0000 with program GU093. NO staff allowed on A0000. NO postdoc's (earnings code 170) on A0000.	
Acad Depts	A0001					Typically should NOT be used for faculty, AI or researcher costs. Used for Staff. Up to the department's discretion.	

Notes:

1. Fund Descriptions:

A0001	Academic Dept Administrative Allowance
A0002	Research Rebate
A0003	Science
A0004	Recharge Center/Chargeback

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A0014	Sponsored Research Holding
A0024	Faculty Leaves

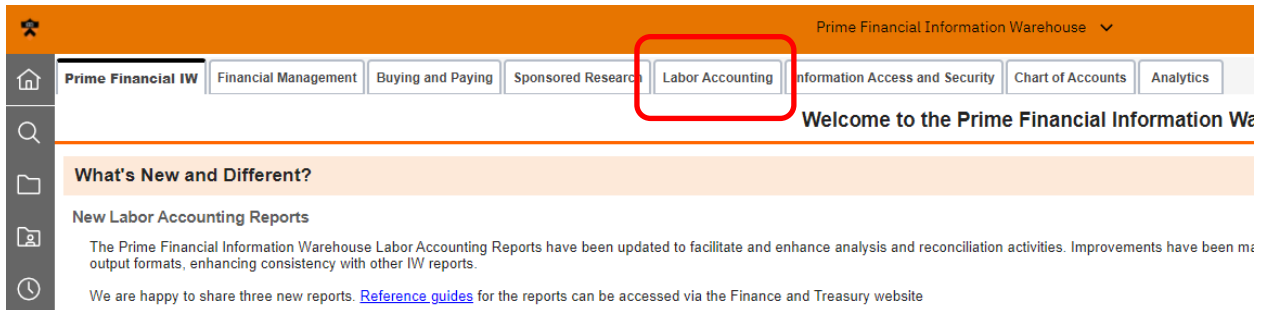
2. Program Descriptions:

F%	Faculty-Specific
GA%	Graduate Student-Specific
VA%	Post-Docs & Visitor-Specific
OA%	Other Person-Specific

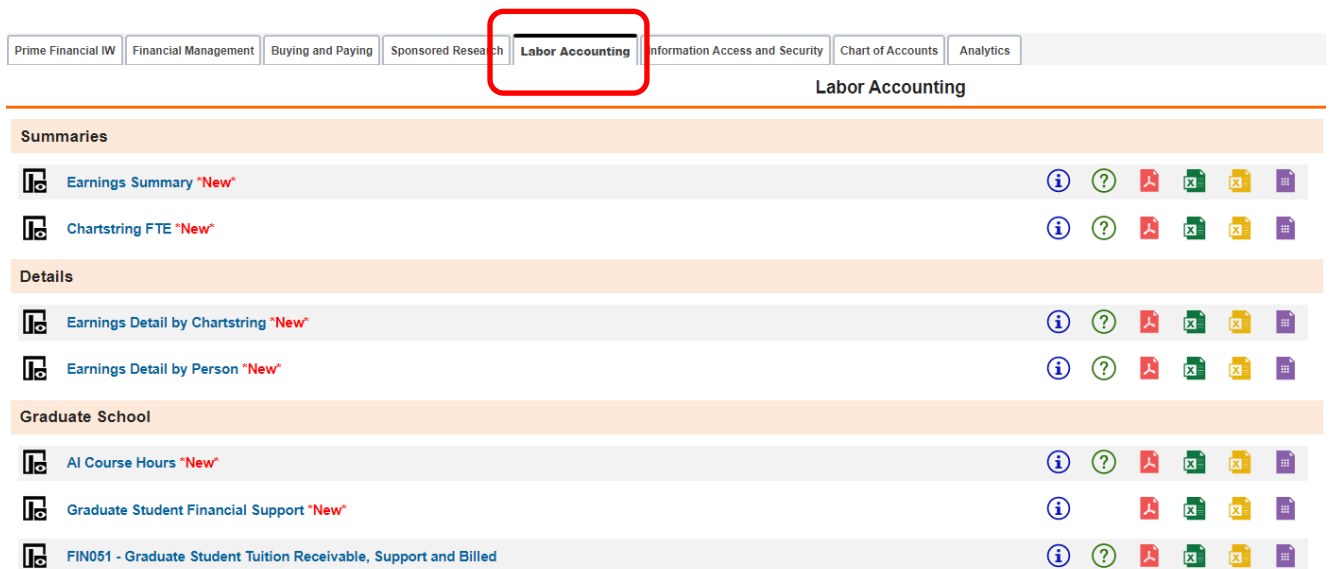
2. Labor Accounting Prime Financial Information Warehouse (IW) Reports for Reviewing Labor Costs

To run LA IW reports, access the Prime Financial IW reports via the Prime Portal page. If you do not have access to the Prime Financial IW, or to the LA reports folder within the IW, please contact the FSC.

In the Prime Financial IW, click on the Labor Accounting Tab.



Once you click on the Labor Accounting folder, the Labor Accounting reports appear:



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A. Verify that Faculty and Staff are charged to the correct Distribution Chartstrings for FY21 and FY22:

In the Labor Accounting folder, select Earnings Detail by Chartstring. This provides detailed personnel expense by person within each departmental chartstring.

1. Verify that your department has no labor charges on the Invalid Distribution ChartField Combinations Table for **FY21 and FY22**.

Use the Earnings Detail by Chartstring Report to check that you have had no labor charges to those invalid chartstrings.

- a. For example:
 - i. Earnings Date Range: Earnings from 7/1/2020, Earnings Through 6/30/2022
 - ii. Home Department = your department
 - iii. Charged department = blank
 - iv. Fund = A0000
 - v. Program (starts with...) = F% (or use the tree prompt and choose "F%")
 - vi. No other prompts.
Should return no results.
- b. Another example, for an administrative department:
 - i. Earnings Date Range: Earnings from 7/1/2020, Earnings Through 6/30/2022
 - ii. Home Department = your department
 - iii. Charged department = blank
 - iv. Fund = A0001 A0002 A0003 A0024
 - v. No other prompts.
Should return no results.
- c. Third example, for an academic department:
 - i. Earnings Date Range: Earnings from 7/1/2020, Earnings Through 6/30/2022
 - ii. Home Department = your department
 - iii. Charged department = blank
 - iv. Fund = A0000
 - v. Staff class = Admin
 - vi. No other prompts.
Should return no results.

Note: Reports should be run by Earnings period. Retroactive adjustments to earnings periods may have been made after the original charge posted.

The Earnings Detail by Chartstring Report generates a list of the individuals charged on each chartstring by individual, by earnings code. If regular salary charges are found on invalid ChartField combinations, they should be corrected in the Labor Accounting application for FY2021 or FY2022. See Section 3 below, **Finding help in LA for Making Changes to Commitments and Distributions**.

Changes for Overtime, Accrued Vacation, Severance, Childcare Assistance, Awards, etc., charged to sponsored research must be made via the LA Cost Transfer process. The LA Cost Transfer form can be found in the Policy Library on the Office of Finance & Treasury webpage.

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Changes to Overtime, Accrued Vacation, Severance, Childcare Assistance, Awards, etc., not charged to sponsored research are made with a spreadsheet journal correction. Please contact the Budget Office for assistance to create a spreadsheet journal correction.

2. Verify that all other labor costs charged against Chartstrings for your department are correct.

- d. Set up the prompts as follows:
 - i. Earnings Date Range: Earnings from 7/1/2020, Earnings Through 6/30/2022
 - ii. Home Department = blank
 - iii. Charged department = your department
 - iv. Optional: Customize Output Appearance-include program and project

Reminder: Reports should be run by Earnings period. Retroactive adjustments to earnings periods may have been made after the original charge posted.

When the Earnings Detail by Chartstring Report is generated, each distribution chartstring is listed separately. The report provides detail by period for each person charging to the chartstring with a subtotal by chartstring. The excel data extract of the report contains the complete chartstring detail, both Earnings Period and GL Accounting period, and Salary & Benefit encumbrances for each person.

If incorrect/invalid charges are found on departmental chartstrings, they should be corrected in the Labor Accounting application. If you need assistance on how to change a Commitment or Distribution in the LA application, see section 3 below, **Finding help in LA for Making Changes to Commitments and Distributions**.

B. Review and Clean-up for **FY21** and **FY22** Remaining Labor Encumbrances:

1. It is important for departments to review their staff's commitments, payments and remaining encumbrances as part of the Year-end close process.

FY21 remaining labor encumbrances will be removed as part of the Final Close process during Year-end close.

FY22 remaining labor encumbrances will be restated in **FY23** on the General Ledger as part of the Year-end close process.

In the Labor Accounting folder, select Earnings Detail by Person.

2. Verify that faculty and/or staff in your department have no remaining unexpected labor encumbrances for **FY21** and **FY22** by running the Earnings Detail by Person report as follows. The report should be generated for **FY21** and **FY22** separately, to ensure that you see FY21 encumbrances separately from FY22 encumbrances.

- a. For example:
 - i. Earnings Date Range: Earnings from 7/1/2020, Earnings Through 6/30/2022
 - ii. Summarization Option: Total by Period
 - iii. Customize Output Appearance with:
 - 1. Program, Project and Site
 - 2. Regular/Committed Earnings

3. Encumbrance

- iv. Home Department = your department
- v. Charged department = blank
- vi. No other prompts.

When the report is generated, each person's commitments, payments & remaining encumbrances will be listed separately by chartstring. Most individuals may already have zero remaining encumbrances for **FY21**. You can export the report to PDF or Excel Data Extract (and create a simple Pivot Table with Emplid and Encumbrance Amount) for easy review of each person's **FY21 or FY22** status.

If an individual's status contains a remaining encumbrance in **FY21**, further investigation may be required.

1. Verify that the person was paid correctly for the year. If the person was paid correctly for the year, any remaining encumbrance will be safely and automatically removed by the Final Close process during Year-end close.

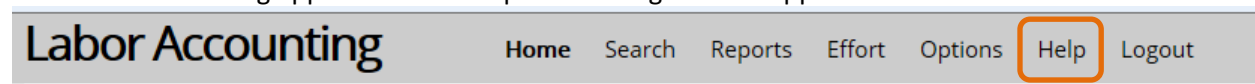
2. If the person does not appear to have been paid correctly, this may be because the person has moved from one home department to another during **FY21**. It may be necessary to run the report specifically for the person (remove the Home department filter, and instead insert the employee last name or emplid in the Person prompt), in order to see all commitments, both before and after the department change.

3. If there is a remaining encumbrance of concern, contact HR or LA staff to investigate further.

FY22 remaining encumbrances should also be reviewed to ensure that only appropriate encumbrances will be restated in **FY23**.

3. Finding help in LA for Making Changes to Commitments and Distributions

The Labor Accounting application has Help material right in the application:



LA Help contains extensive information on how to change commitments and distributions.

- 1. Click on LA "Help" in the LA banner in the LA application, or on "The Learning Center" icon on the LA Home page.
- 2. Click on "View outline" on the LA Help Introduction screen.



Intro to Labor Accounting

Labor accounting is the systematic recording and maintenance of the cl
general ledger or bookkeeping system.

In Labor Accounting, commitments are a record of funds that are expect
commitments cannot be changed in Labor Accounting, although some c

Other commitments are entered directly in Labor Accounting, or can be

3. In the Outline, open the LA topic of interest:
 - a. Manage Commitments & Distributions (Basics)
 - b. Manage Grad Student Commitments & Distributions
 - c. Manage Labor on Sponsored Projects

Within each topic, you can see a video of the process, or step through the process in an interactive video, or read through the steps with PDF.

If you need additional assistance, please contact the Financial Service Center at finance@exchange.princeton.edu or 258-3080, or contact LA Manager Clara Richardson.

4. Helpful links for further information about LA.

- Prime Portal: <https://prime.princeton.edu/>. Click on Information & Training, then follow options below.
- Web pages: Prime Portal > Information & Training > Labor Accounting (scroll down to Labor Accounting section – Labor Accounting header in black)
- Training Materials: Prime Portal > Information & Training > Training & Reference Materials > Labor Accounting
- The “Learning Center” icon on the Labor Accounting application Home Page, or the “Help” on the LA application banner at the top of each LA screen.