



UNIVERSITY OF OREGON

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To: UO Research Community

From: Moira Kiltie, Assistant Vice President for Research, Interim Director of ORSA
Laura E. Hubbard, Associate Vice President for Budget & Finance

Subject: Changes to Payroll Accounting Adjustment Periods

In March 2008, guidance was issued to the University of Oregon (UO) community regarding the implementation of an allowable posting window for payroll redistributions in the UO payroll system. Current practice is to limit campus-wide access to labor adjustments to the currently open quarter and then “lock-down” the quarter to prevent general changes on the day the quarter closes. Once a quarter has been closed, payroll adjustments for that period must be processed through the Office of Research Services and Administration (ORSA) for sponsored-project related adjustments and Payroll for all other adjustments.

Through conversations with units across campus, it has become evident that the current timeframe of the quarterly lock-out does not provide units with adequate opportunity to run and review payroll reports and identify, prepare and process adjustments to correct payroll distributions. As part of the on-going effort to improve the cross-functional administrative infrastructure at UO, the Office of Budget and Finance, in conjunction with ORSA, is implementing an extended window for units to process labor redistributions internally.

Effective for the quarter ending September 2011, units will be able to process their own payroll adjustments through the Banner process PHAREDS until the day of the close of the month following the quarter, e.g. through the close of October 2011.

Once the extended window for processing labor redistributions has closed, units will still need to send retroactive Payroll Accounting Adjustments (PAAs) to ORSA or Payroll, as required. These requests will still need to include a written justification and an authorization from the Dean, Director, or Department Head. And labor cost transfers impacting grants funds will still require a completed Cost Transfer Justification Form. ORSA will continue to generate and distribute quarterly Payroll Activity Reports approximately 45 days after the quarter has ended and they will reflect the internally posted payroll adjustments. It remains critical that certified Activity Reports accurately reflect the effort and corresponding payroll dedicated to a given sponsored project.

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Continued, Changes to Payroll Accounting Adjustment Period:

This change will apply to the quarters ending September, December, and March. However, the final quarter of the fiscal year, the quarter ending in June, will not have this extended internal PHAREDS processing timeline due to the impact on the broader UO Fiscal Year End Close. For quarters ending in June, the current lock-out on the day the quarter closes will remain in effect.

The objective of this change implementation is to lessen the administrative burden on both local administrative units and central service units while maintaining a high level of compliance and strong internal controls. We hope that by providing units additional time to review payroll distributions and process any necessary changes internally without requiring the supplemental approvals and paperwork, units will prioritize this review and the number of *late* labor cost transfers will *decrease* across the institution, thereby minimizing the number of transactions requiring central review and data input while strengthening institutional fiscal compliance.

If you have any question or concerns, please contact your ORSA Post-Award SPA Team or Judy Duff, UO Payroll Manager.