Creating a Retro Distribution

A Retro Distribution transfers actual payroll expenses (salary and fringe) to a different funding source. These adjustments credit the ChartField strings(s) from which the original payroll expenses were paid and debit an alternate ChartField string.

If an employee's salary has been paid from an incorrect ChartField string, adjustments must be made in Human Resources Management System (HRMS) following the allowable guidelines for non-sponsored and sponsored activity. These types of salary corrections are done via a retro.

STEP 1: GETTING STARTED

Before processing a Retro Distribution, double-check it is possible to create one. Review restrictions and criteria.

<table>
<thead>
<tr>
<th>Restrictions</th>
<th>Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Retro Distribution cannot be used to correct the job code number or earnings code on which an employee was paid.</td>
<td>Payroll Expenses Posted in General Ledger</td>
</tr>
<tr>
<td>Payroll expenses must be recorded in the General Ledger (GL) before they can be moved.</td>
<td></td>
</tr>
<tr>
<td>Only one Retro Distribution per pay period may be pending in the system at one time for an employee. The system must process the Retro Distribution in HRMS before allowing another Retro Distribution for the same employee and the same pay period.</td>
<td>Fund Restrictions Must Be Enforced</td>
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<tr>
<td>A Retro Distribution can only credit one account; multiple account selections will generate an error message.</td>
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<tr>
<td>A Retro Distribution cannot be used to move salaries between account codes. Example: Payroll expense for 700101 = Salaries/Faculty Regular cannot be moved to 700501 = Salaries/Civil Service.</td>
<td>Function Code Integrity Must Be Enforced</td>
</tr>
<tr>
<td>The movement of expenses between Program and Project codes should only occur when that movement results in the expense ultimately being recorded under the appropriate Fund code.</td>
<td></td>
</tr>
<tr>
<td>A Retro Distribution that is sent back by an approver must be resubmitted or deleted before any further retro distributions may be entered for the employee.</td>
<td>Payroll Expenses Must Remain Classified as Payroll Expenses</td>
</tr>
<tr>
<td>If payroll expenses are moved from one ChartField string to another, they cannot be reclassified to a non-salary Account value.</td>
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</tr>
<tr>
<td>A Retro Distribution should not be done to move payroll expenses from one budget period to another to avoid overdrafts.</td>
<td>Sponsored Restrictions Must Be Enforced</td>
</tr>
<tr>
<td>The movement of payroll expenses from a project to another must be allocable to the project and allowable by the sponsor. For purposes of Retro Distributions, cost share payroll expenses fall under sponsored restrictions.</td>
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</tr>
<tr>
<td>A Retro Distribution cannot create negative payroll expenses.</td>
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</tr>
<tr>
<td>A Retro Distribution, under most circumstances, cannot be done to move payroll expenses incurred before the start of a sponsored project to the project funding source.</td>
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</tr>
</tbody>
</table>

If the retro passed the restriction and criteria check, then process.

Log in to MyU (myu.umn.edu). Navigate to: Key Links > Reporting Center.

1. Verify the actual distribution paid to the employee by running available payroll reports such as the Payroll Verification report.

2. Determine the amounts and ChartField string(s) that need to be credited and debited for a specific payroll period.
Creating a Retro Distribution (cont.)

STEP 2: CREATE THE RETRO

Log in to MyU (myu.umn.edu). Navigate to: Key Links > PeopleSoft > Human Resources.

Navigate in HRMS: UM Payroll Accounting > UM Payroll Accounting > UM Direct Retro Distribution.

1. Search for an employee using the Empl ID or other available search criteria.
2. Enter the Range Begin Date and Range End Date then click <Get Distributions>.
   a. Distribution will reflect all earning codes and ChartField strings paying for the salary during the date range entered.
3. Check the Select box for all distributions needing correction.
   a. Note that if more than “1” appears in the Trans column, multiple payments exist for the given earnings code and ChartField strings.
4. Click <Generate Adjustments>.
5. On the UM Direct Retro Adjustment page, fill in the following required fields:
   a. Approval Dept ID.
   b. Justification for the transaction.
   c. Amount to be credited.
      i. When the Trans column indicates multiple payments for this earn code and ChartField strings, expect the credited amount to be distributed proportionately among the debit lines.
   d. The ChartField string(s) or combination code(s) and amount(s) to be debited. Debits move the charges to the correct ChartField string.
Creating a Retro Distribution (cont.)

6. Click <Save>.
   a. This allows the transaction to be saved without submitting it for processing.

7. Click <Submit>.
   a. Retros will NOT process unless they are submitted. Submit routes the transaction through the approval process if needed. See side D for more information on the approval process.

8. Click <OK> to confirm the Retro Adjustment Request has been submitted.

STEP 3: CORRECTING A SENT BACK RETRO

1. The preparer receives an email with a link to the retro with the status of “Sent Back.”

2. Click the link in the email to open the retro on the UM Retro Dist Review/Approval page.

3. Click the <View/Hide Comments> link in the Payroll Accounting Approval section to read the reason the retro was returned.

4. Click the <Go to Retro Entry> link.
Creating a Retro Distribution (cont.)

5. Update the retro per the approver’s comments.
6. Click <Save>.
7. Click <Submit>.
8. The “Retro Adjustment Request Submitted” message will display. The retro will reroute for approval.

APPROVAL CONSIDERATIONS

- Offline approvals are required for all retros.
- Approvals should be kept on file within the department.
- System approval routing will be triggered for retros using a sponsored project when:
  - A sponsored project is debited and the earliest pay period being adjusted is within 60 business days of the current pay period. The system will route the transaction to the Certified Approver for the department. This review aligns with the “Processing Accounting Transactions” policy.
  - A sponsored project is debited or credited and the earliest pay period adjusted falls in a closed effort period. The Office of Cost Analysis in Sponsored Projects Administration (SPA) will need to review because the certified effort is impacted.
- Retros using non-sponsored ChartField strings will not trigger system approval routing.
Creating a Retro Distribution (cont.)

TIPS

• For an individual Empl ID, only one retro per pay period may be pending system processing. The system must process the retro in HRMS before allowing another transaction for the same person and the same pay period.

• HRMS will process all approved retros twice a day at 11 a.m. and 5 p.m. Monday through Saturday. Note: No retro processing occurs the day of the biweekly payroll confirm.

• A retro can only credit one account; multiple account selections will generate an error message.

• Departments cannot use a retro to move salaries between account codes.

• A retro will not be processed until the <Submit> button has been selected. Do not forget to click <Submit>.

• A retro will reverse an entire line and redistribute the line based on the changes requested in the retro transaction.

• When a retro in a sent back status exists for an employee, the retro must be resubmitted or deleted before any further retros may be entered for that employee.

• If you have questions the department is unable to answer, contact the Financial Helpline at 612-624-1617 or controller@umn.edu.