Direct Retro Distribution: Step by Step

A Direct Retro Distribution is an internal process that adjusts the accounting for historic payroll expenses for an employee. 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 HRMS following the allowable guidelines for nonsponsored and sponsored activity. These types of salary corrections are done via a Direct Retro. This job aid explains how to credit the incorrect ChartField string and debit the correct ChartField string for salary expenses.

1. Verify the actual distribution paid to the employee.
   a. Use the Payroll Verification report and various payroll reports from the Reporting Center.
   b. Determine the amounts and ChartField string that need to be credited and debited for a specific payroll period(s).


3. Search for the employee using the Empl ID or other available search criteria.

4. 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.

5. 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.
Direct Retro Distribution: Step by Step (cont.)

6. Click <Generate Adjustments>.

7. On the UM Direct Retro Adjustment page, fill in the following required fields:
   a. Approval DeptID, if needed (see Tips section on side C).
   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.

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

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

10. Click <OK> to confirm the Retro Adjustment Request has been submitted.
Direct Retro Distribution: Step by Step (cont.)

APPROVALS FOR DIRECT RETROS

- Offline approvals are required for all Direct Retros. Approvals should be kept on file within the department.
- System approval routing will be triggered for Direct Retros using a sponsored project when:
  - A sponsored project is debited and the earliest pay period being adjusted is within 60 days of the current pay period. The system will route the transaction to the Certified Approver for the department. This review aligns with the Cost Transfer policy.
  - A sponsored project is debited or credited and the earliest pay period being adjusted falls in a closed effort period. The Effort Unit in Sponsored Projects Administration (SPA) will need to review because the certified effort is impacted.
- Direct Retros using nonsponsored ChartField strings will not trigger system approval routing.

TIPS

- Only one retro per person per pay-period per day. The system must process the retro to Finance before you will be allowed to enter another transaction for the same person and same pay-period.
- A Direct Retro can only credit one account; multiple account selections will generate an error message.
- Departments cannot use a Direct Retro to move salaries between Accounts codes.
- A Direct Retro will not be processed until the <Submit> button has been selected. Do not forget to click <Submit>.
- A Direct Retro will reverse an entire line and redistribute the line based on the changes requested in the Direct Retro transaction.
- If you have questions the department is unable to answer, contact the University Financial Helpline at 612-624-1617 or controller@umn.edu.