



OFFICE OF THE SENIOR VICE PRESIDENT —  
BUSINESS AND FINANCE

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March 27, 2006

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Re:	Release:	1697
	Service Request:	81460
	Error Reports:	None
	Programs:	PPP531
	Copymembers:	None
	Include Members:	None
	DDL Members:	None
	Bind Members:	None
	CICS Maps:	None
	Forms:	None
	Table Updates:	None
	Urgency:	Not Urgent (see Timing of Installation)

### **Service Request 81460**

Various government agencies, including the National Institute of Health (NIH), have established guidelines that restrict charging payroll expenses at pay rates in excess of the Executive Level II of the Federal Executive Pay Scale.

Release 1647 implemented a front-end process to provide pay rate compliance within the EDB File Maintenance edit process. Most payments to individuals are based on these EDB normal pay attributes.

Release 1669 implemented a process that examines the actual earnings issued during the process month and reports warning conditions that indicate possible non-compliance with the stipulated cap guidelines. Modifications allowed Program PPP531 to read the DB2 PAR and screen these earnings for payments with FAUs that fall within the salary limitation categories identified on the Fund Group Table. When any of these restricted payments contain a warning condition, the employee's earnings are included on the tab delimited "Salary Cap Error Reporting" output file. The three warning conditions are:

- The pay rate exceeds the limit.
- The payment is a Retroactive Rate Adjustment (RAI).
- The payment is for a By Agreement (BYA) amount.

For Federal Funds (i.e., Fund Group Code "FEDC"; - NIH), compliance is associated with only those payments pertaining to the restricted Fund. However, for certain other restricted funds (those not associated with "FEDC"), pay limit restrictions may apply to all payments the individual receives for that period of time.

Currently, employees who have at least one payment with an FAU which is subject to Salary Cap limitations and yet also receive a By Agreement payment through another, non-restricted FAU, will be included in the warning file.

This should be modified for the Federal restriction warnings because non-restricted FAUs have no bearing on whether the pay rate paid from Federal Funds is in compliance. Therefore, for Federal restricted fund payments, only those pay distributions themselves should determine their inclusion in the warning report. The modifications in this current release will accordingly restrict whether, or not, an employee is selected for the warning issuance when the restricted FAU is for "FEDC". That is, payments for other than FEDC funding will not be considered when determining whether the warning should be issued based on that restriction.

### **Programs**

#### **PPP531**

As PPP531 examines PAR earnings, it will issue an internal Trigger record (temporary work file) to indicate that a warning condition exists for this individual's fund restricted earnings. This Trigger record is subsequently used to select that employee for the output Salary Cap Error Reporting File.

After all earnings examinations, if a Trigger record has not been issued for the employee, a final test is made. If a non-restricted funded BYA payment has been encountered and at least one other payment applies to a restricted Fund, a Trigger record will be issued.

This current release changes the above final test as follows. If a non-restricted funded BYA payment has been encountered and at least one other payment applies to a restricted Fund, a Trigger record will be issued **unless the restricted FAU applies to Fund Group "FEDC"**.

### **Test Plan**

A separate Test Plan document is provided with this release.

### **Installation Instructions**

1. Install the release modified COBOL member PPP531.
2. DB2 pre-compile, compile and link the **Batch** program PPP531 into Batch LOADLIB.
3. Bind plan for PPP531.
4. Perform the installation testing.
5. Install object in production.

### **Timing of Installation**

The installation of this release is not urgent. However, to expedite compliance with Federal guidelines, a timely installation is expected.

As usual, campuses are encouraged to install this release in as timely a fashion as possible, and in the normal numeric sequence of releases.

If there are any questions, please send electronic mail to Jim.Tuohig@ucop.edu, or call (510)987-0741.

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