

August 25, 2006
Revised December 4, 2006
Revised February 13, 2007
Revised February 15, 2007

SR81626 Requirements
Generic GL Entries for NGO Contributions

Objective:

To develop automatic General Ledger entries for deductions and contributions that offset the amounts in the assigned liability accounts with entries from the Salary and Wages Payable account and to display the liability accounts on the PPP5304 report.

Project Type:

This is an update to the current process where campuses must manually initiate journal transactions to clear the entries in the SMS Contribution Liability Account and the Faculty Summer Salary Employer Contribution Account. The modifications affect the Distribution of Payroll Expense and General Ledger processes.

Requested by:

Campuses

Analyst:

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Due Date(s):

Not Urgent, February 1, 2007

Background:

In late 2005, the University began the Senior Management Supplement Contribution, a predetermined contribution amount that would be deposited into an eligible employee's 403(b), 457(b), and/or Defined Contribution plans. This amount, based upon the employee's salary and SMS percentage (3% or 5%), resembles a Gross-to-Net (GTN) deduction on the employee's Employee Data Base (EDB) record. However, during a payroll compute, the deduction becomes a contribution. After the compute, the SMS Contribution amount then is transmitted to Fidelity via the Automated Clearing House (ACH).

Earlier in 2001, the University introduced the Faculty Summer Salary Defined Contribution Plan (FSS-DCP) (Release 1347). When an academic appointee earned summer salary, that summer salary would be subject to the FSS-DCP. The compute would calculate the employee deduction and the University's contribution within the compute cycle. The dollar amounts would then be transmitted to FITSCo through the ACH.

Current Process:

During the payroll computation cycle, the system performs the special handling of the SMS Contribution and passes the activity onto the ACH file in program PPP420 for transmission to Fidelity as it does for other ACH GTN entries, such as Faculty Summer Salary and voluntary deductions. Based upon the liability account numbers stored in Installation Constant 5, the PPS will automatically offset the amounts in the liability accounts from Salaries and Wages payable. However, campuses must create a manual journal entry to reconcile the SMS Contribution and the Faculty Summer Salary Contribution Liability Accounts to Salaries and Wages Payable.

In the distribution of payroll expense process, program PPP520 accumulates all of the financial activity for the month in process, including the liability for Employer Contributions. The report PPP5205, Contribution Liability Report, shows the Gross-to-Net Numbers (Deduction Numbers), Description, and Contribution Amounts. The report displays the SMS GTN numbers 742, 743, 744, 745, 746, and 747. Further in program PPP530, the PPP5304 report does not show the SMS or FSS Contributions in the "GTN SUREPAY" section.

Proposed Process:

Modify the PPS so that a General Ledger (GL) entry automatically offsets the liability account number of all future GTN Direct Deposit (Surepay) Entries, such as 115935 (P/R SMS Contribution) and 115932 (P/R Faculty Summer Salary) with an entry from Salaries and Wages Payable (115010).

Modify the PPP5304 report to display the SMS Liability Account (115935), Faculty Summer Salary Account , and any future accounts beneath the heading “GTN SUREPAY ENTRIES.” See Appendix A for a sample report.

Appendix A

Distribution of Payroll Expense

PPP5304 Report (EXP DIST & GL GROSS-TO-NET SUMMARY)

PPP5304/PPP530 /070104 UNIVERSITY OF CALIFORNIA-SYSTEMWIDE.....PAGE NO. 000001
 RETN: SEE RPTS DISP SCHEDULE/DIST. PAYROLL PROCESSING RUN DATE 08/22/06
 PROCESS MONTH: JUNE EXP DIST & GL GROSS-TO-NET SUMMARY

ACCOUNT	ACCOUNT DESCRIPTION	DEBIT	CREDIT
GTN SUREPAY ENTRIES			
3-115926-	- UCRP EMPLOYEE DCP - FIDELITY PLAN	79.83	0.00
3-115940-	- VOL CONTR UCRS FIDELITY INVEST - TD	479.21	0.00
3-115052-	- P/R DED-SCHOLARSHARE	400.00	0.00
3-115241-	- P/R DED-USE CREDIT UNION	422.00	0.00
3-115935-	- P/R SMS CONTRIBUTION	14,500.00	0.00
3-115932-	- P/R FACULTY SUMMER SALARY	0.00	0.00
3-115010-	- SALARIES & WAGES PAYABLE	0.00	15,881.00
	TOTAL	15,881.04	15,881.04