Service Request: SR82950
Title: Expense Transfers – Contributions Related to UCRP, SMS, and FSS.

Objective
For expense transfers, ensure that UCRP contributions are handled appropriately in Expense Distribution.

Project Type
PPS Modification

Requested by
Controllers

Project Lead / Business Analyst
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Due Date
Urgent – Changes must be released to locations in time to affect May earnings. Changes should be installed prior to running May Month-End.
**Background**

An expense transfer does not carry the full benefit detail associated with the original payroll salary expense; instead, it carries a composite amount based on the Expense Distribution report (PPP5302). When a composite amount is identified in Expense Distribution, an attempt is made to split each composite amount into specific benefit components (i.e., into the original object code allocations).

**Current Process**

The composite benefit amount for the Basic Retirement contribution (UCRP), Faculty Summer Salary (FSS) DCP contribution, and Senior Management Supplement (SMS) is contained on the PPP5302 report under column “MATCHING CONTRIB/FSS/SMSP”.

When an expense transfer is processed -

- If the composite benefit amount is zero, no attempt is made to split the benefit.
- If the composite benefit amount is not zero,
  - First, the basic retirement amount is calculated and charged to object code 8600 (basic retirement).
  - Second, if a balance remains and the DOS code is subject to FSS DCP (note, summer salary DOS codes are not subject to basic retirement), the FSS DCP amount is calculated and charged to object code 8650.
  - Third, if there is still an amount remaining, it entire amount is charged to object code 8660 (SMS).

The rates that are used to calculate the basic retirement amount and the FSS DCP amount are the current rates contained in the Benefits Rate Table (BRT). Note - rates in the BRT are not necessarily the rates that were used to calculate the benefits of the original expense.

**Proposed Process**

Modify the Expense Distribution Process. This change applies only to expense transfers.

It is suggested that, when an expense transfer is processed –

- If the composite benefit amount is zero, no attempt is made to split the benefit.
- If the composite benefit amount is not zero,
  - If the DOS code is subject to FSS DCP then the entire amount is transferred under object code 8650.
  - Else, the entire amount is transferred under object code 8600 (basic retirement).

This proposal removes the SMS component from the expense distribution process. In review of this, it was noted that expense transfers that contain SMS contributions are uncommon. As such, it was said, that removing the SMS component from the expense distribution process would have little to no impact on the accounting of such expenses. It was also noted that financial journals could be prepared and processed, if necessary, to correct errors.