

PROPOSED REVISION TO: REG 10.05.8: Payroll Redistributions

Rationale:

Paragraph 2.2 of the regulation states that a justification is required for redistributions over 120 days old that impact a sponsored project. Request to change the regulation to reflect that a justification is needed for redistributions that are '90 days' old and impact a sponsored project. This change is requested to concur with our current business practice, the current 'industry' standard (90 days) and the UNC-GA/UNC-FIT Key Performance Indicator measuring cost transfers (CG07, CG08, and CG09).

Consultation Process:

mk Steve Keto, Associate Vice Chancellor for Finance and Resource Management authorizes transmittal of PRR for review – Completed 7/18/2011

_____ General Counsel preliminary review – Completed 7/18/2011

_____ Terri Lomax, Vice Chancellor for Research and Innovation and Matt Ronning, Associate Vice Chancellor for Research Administration review – Completed 7/18/2011

_____ [Relevant NCSU committee or other body] review, if applicable (N/A)

_____ General Counsel final review, if changes have been made (N/A)

7/24/11
_____ Charles Leffler, Vice Chancellor for Finance and Business, review and approve PRR

_____ University Council (recommendation/notification), if applicable (N/A)

_____ Board of Trustees (approval/notification), if applicable (N/A)

NC STATE UNIVERSITY
Policies, Regulations and Rules

Authority	Vice Chancellor for Finance and Business
Title	Payroll Redistributions
Classification	REG10.05.8
PRR Subject	Contracts and Grants
Contact	Assistant Director, Systems and Compliance (919) 515-8011 Office of Contracts and Grants.)

History: First Issued: July 1, 2002. Last Revised: July 1, 2008. [Additional History Information.](#)

1. Introduction

Payroll Redistributions are special journal vouchers used to adjust all payroll charges (salaries and benefits) made in previous periods. These are entered in the Human Resources system and include both monthly and biweekly payroll charges. Payroll Redistributions are reflected on the Labor Distribution Report in the month in which they are processed with the corresponding payroll ID of the pay period being adjusted.

2. Guidelines

2.1. Payroll Redistributions should be used in the following situations:

2.1.1. Corrections of errors in previous payroll periods.

2.1.2. Changes ~~to effort on a in-TEARS to-effort report~~ in Section A ("Sponsored Programs") or Section C ("All Other Activities") ~~on an effort report~~.

2.1.3. Changes in previous payroll charges resulting from a retroactive personnel action.

Payroll Redistributions should not be used when a change in an employee's funding source is anticipated to be of a recurring nature over an extended period of time. The appropriate personnel action should be submitted so that when each payroll is processed, the correct projects are charged automatically.

2.2. Payroll Redistributions are subject to both Federal and State regulations regarding timeliness and supporting documentation.

2.2.1 Payroll Redistributions affecting contract or grant projects (subledger 5) must be prepared on a timely basis, but no later than 120-90 days after the payroll charge.

2.2.2 Redistributions submitted after this deadline must be accompanied by a memorandum justifying the late adjustment of charges. The memorandum should be addressed to the Director of the Office of Contracts and Grants and must be signed by the Dean (or Director for non-college units). The memorandum must indicate:

- ~~(1)~~ why the adjustment is necessary,
- ~~(2)~~ the impact of the adjustment on the employee's effort certification, and
- ~~(3)~~ why the adjustment was not prepared within the 12090-day period allowed. For temporary employees the memorandum should also include the system generated redistribution number along with a hard copy of the redistribution that can be printed from the Human Resources system. The letter should also include the system generated redistribution number along with a hard copy of the redistribution that can be printed from the Human Resources system. If the request is denied by the Director of the Office of Contracts and Grants, the request will be returned with an explanation for the rejection. In the case of a denial, the Payroll Redistribution must be removed from the Human Resources system.

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Redistributions impacting contract and grant projects that have been closed should only be processed in cases where salary has been inappropriately charged to a project and needs to be removed. Redistributions adding charges to a closed project require justification and generally are not allowed except in cases where extenuating circumstances exist.

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