Additional Encumbering Method for Sponsored Projects Job Aid
(Created by the Controller’s Office November 2009)

Beginning with the first payroll encumbering run after November 22, 2009, a method for calculating the payroll encumbrance end dates for sponsored projects began to be utilized. This method uses the end date of the current budget period, established during award set up instead of defaulting to the project end date. The logic for calculating the encumbrance end date is as follows, reflecting the order of precedence:

1) Project End Date Override, if it exists and is active;
2) CURRENT Budget Period End Date, if no active Project End Date Override exists;
3) Project End Date, if the above two situations do not apply.

A budget period is determined to be CURRENT based on the day the encumbering run occurs. Encumbering runs always occur the night before a pay date. Encumbering may also occur on a daily basis for employee job records that have changed between pay cycles, for example, an existing employee was paid on two sponsored project and their payroll distribution was changed to reflect being paid on three sponsored projects.

What are the benefits to departments?

Using the end of the current budget period (instead of the project end date) means that payroll encumbrances will be more closely aligned with the approved project budget for that period.

Also, departments will no longer need to set up the budget period end date in UM Project End Date Override, to accurately forecast payroll encumbrances for sponsored projects with budget periods.

What should be done about Project End Date Overrides?

Departments should determine whether the Override is still valid and needed. If so, no action is necessary, other than remembering to maintain the Override date. If an override date is in the past but still is in Active status, the process will not default to another calculation method. No encumbrance will calculate. If the Override is no longer needed, and the CURRENT Budget Period End Date is a better choice to use, then simply insert a new row into the Project End Date Override page for the project and make its status ‘Inactive’. The Project End Date Override page can be found at:

UM Financial Transactions > UM Encumbering > UM Project End Date Override

Should you have any questions, please contact the University Financial Helpline at 612-624-1617 or finsys@umn.edu
A New View on Sponsored Payroll Encumbering

In addition to this change in logic, a new page became available in HRMS to allow users to see all pertinent end dates of a project that could influence the encumbering end date. The page is called ‘UM Project Budget Period’, and is found with the other pages dedicated to payroll encumbering:

**UM Financial Transactions > UM Encumbering > UM Project Budget Period**

![Project Budget Period Page]

1) Project End Date Override Information

* If a Project End Date Override exists and is active, salary and fringe encumbrances will be calculated through that date.

<table>
<thead>
<tr>
<th>Override Date:</th>
<th>Effective Date:</th>
<th>Status:</th>
</tr>
</thead>
<tbody>
<tr>
<td>06/30/2009</td>
<td>03/07/2009</td>
<td>Active</td>
</tr>
</tbody>
</table>

2) Project Budget Period Information

* If no active Project End Date Override exists, salary and fringe encumbrances will be calculated using the end date of the CURRENT Budget Period below

<table>
<thead>
<tr>
<th>Project</th>
<th>Contract Number</th>
<th>Budget Period</th>
<th>Period Begin Date</th>
<th>Period End Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>00001201</td>
<td>CON00000001229</td>
<td>1 09/01/2008</td>
<td>06/30/2009</td>
<td></td>
</tr>
<tr>
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<td>CON00000001329</td>
<td>2 07/01/2009</td>
<td>06/30/2010</td>
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</tr>
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<td>00001201</td>
<td>CON00000001329</td>
<td>3 07/01/2010</td>
<td>06/30/2011</td>
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<td>4 07/01/2011</td>
<td>06/30/2012</td>
<td></td>
</tr>
<tr>
<td>00001201</td>
<td>CON00000001329</td>
<td>5 07/01/2012</td>
<td>06/30/2013</td>
<td></td>
</tr>
</tbody>
</table>

3) Project End Date Information

* If no active Project End Date Override or Budget Period information exists, salary and fringe encumbrances will be calculated using the Project End Date below

End Date: 06/30/2013

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