Accounting Prior to FY 13

- The cost of fringe benefits is specifically identified to the individual

- All non-state chartstrings are charged based on the benefits elected by the individuals paid from these chartstrings

- A central account pays for all benefits specifically identified to state chartstrings

- Some benefits that cannot be identified to an individual are paid centrally.
  - Worker's Compensation
  - Tuition Remission

Leave Payout–Accounting Prior to FY13

▸ When an individual terminates, payout of leave is charged to the chartstrings that last paid the individual

▸ Often grant budgets cannot absorb this and the payout is charged to nonsponsored chartstrings and the costs are not recovered.

Accounting Prior to FY 13 Example

John Tech is paid $75,000 and is funded 50% from an NIH grant

	NIH Grant	State	Central Benefits	Total
Salary (1013)	$ 37,500	$ 37,500		$ 75,000
Retirement (2720)	4,000		4,000	8,000
Health Insurance (2710)	6,200		6,200	12,400
FICA (2725)	2,750		2,750	5,500
Unemployment (2770)	35		35	70
Post-Employment Benefits (2712)	2,000		2,000	4,000
Total Benefits	$ 14,985	$ -	$ 14,985	$ 29,970

Accounting for FY 13 and Forward Using Fringe Benefit Rate

‣ For each major employee class an average fringe benefit rate is calculated

  ‣ For allowability on grants, must be negotiated with the federal government

  ‣ We have faculty, staff, contractual, and post-doc rates

‣ This rate is applied to salary charges across all funding sources

  ‣ Central fringe benefit budget has been allocated out to state budgets

‣ Rate includes the cost of leave payouts

‣ All benefits are paid centrally and funded from the application of this rate.

Fringe Benefit Rates

	Apply to Accounts	FY13	FY14+	Costs recorded in account
Faculty	1011 – Faculty 9/10 mo. 1012 – Faculty 12 mo.	25.0%	25.7%	2790 – Fringe rate Faculty
Staff	1013 – Exempt staff 1014 – Non-exempt staff	40.0%	41.0%	2791 – Fringe rate Staff
Contractual	2072 – Exempt staff (C1) 2073 – Non-exempt staff (C1) 2090 – Contractual employee (C2) 2071 – Faculty 2080 – Summer salaries 2110 – Overtime 2120 – Shift differential 2130 – On call pay 1020 – Graduate Assistants (summer wages only)	8.4%	8.4%	2793 – Fringe rate Contractual
Post Docs	1021 – Post Docs/Fellows	23.0%	23.2%	2792 – Fringe rate Post Doc
Students	1020 – Graduate Assistants (non summer wages) 2074 – College Work study 2075 – Students (other than CWS)	0%	0%	N/A
Other	2196 – Accrued Leave Payout	0%	0%	N/A

Accounting for FY 13 and Forward Example

John Tech is paid $75,000 and is funded 50% from an NIH grant

	NIH Grant	State	Fringe Clearing Account	Total
Salary (1013)	$ 37,500	$ 37,500		$ 75,000
Retirement (2720)			8,000	8,000
Health Insurance (2710)			12,400	12,400
FICA (2725)			5,500	5,500
Unemployment (2770)			70	70
Post-Employment Benefits (2712)			4,000	4,000
Fringe Benefit Allocation (2791)(40%)	15,000	15,000	(30,000)	-
Total Benefits	$ 15,000	$ 15,000	$ (30)	$ 29,970

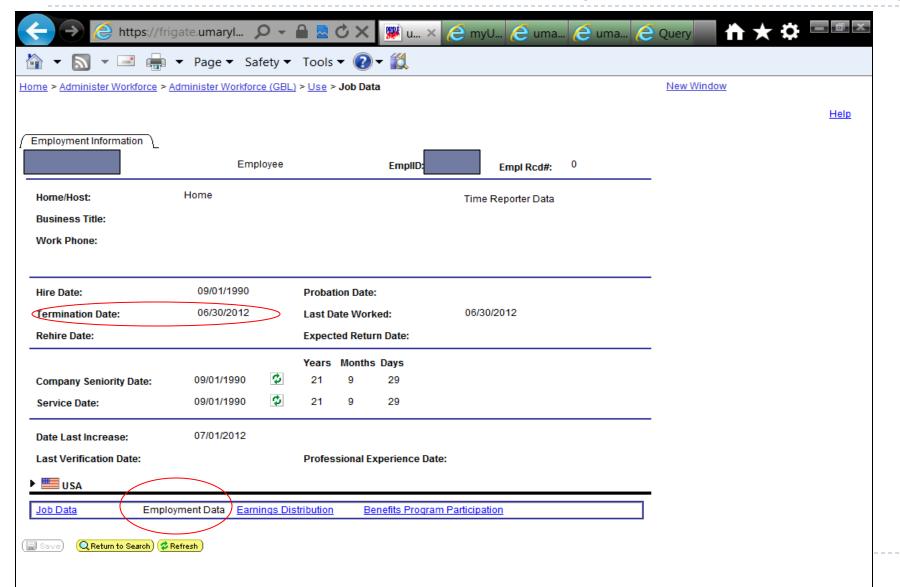# Accounting for Leave Payout–FY13 and Forward–Regular Faculty and Staff

▸ Terminations after 6/30/2012

- ▸ 100% of termination pay and the related benefits will be paid from the central Fringe Clearing Account (FCA)

- ▸ Enter the FCA HRMS account code 0000015682 on PA Form to avoid charging to department

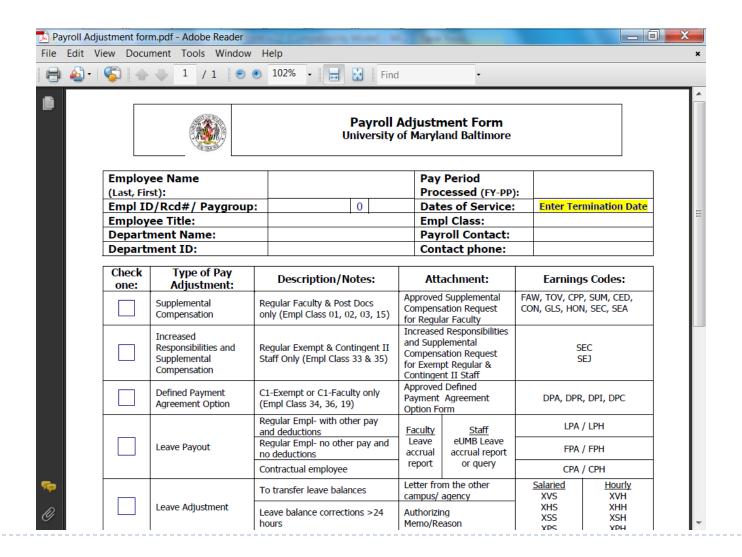- ▸ Leave Payout will not appear on Payroll Charges Detail Report (PCD)

Accounting for Leave Payout–FY13 and Forward–Regular Faculty and Staff

‣ **Terminations before 7/1/2012 paid in FY 13**

  ‣ Leave Payout (Earnings) will be charged based on FY13 Fix EFP or redirect HRMS account code requested by department

    ‣ Departments can reallocate using direct retro (FY13 and forward)

    ‣ Fringe benefit rate is not applied to these accounts

  ‣ Taxes and fringe will be charged to the Fringe Clearing Account

Termination Date – Employment Data Page

Leave Payout – PA Form Sample

Contractual Employees

▸ Fringe benefit rate only covers FICA and unemployment

▸ Supplements for retirement and health benefits will continue to be handled on a contract-by-contract basis and be included as part of the contractual salary

▸ Leave payout accounting will not change for contractual employees

  ▸ If included in the contract, this will continue to be paid from departmental budgets

Retro Pays Paid in FY 13 for Prior FYs

- Accounting is the same as regular wages paid in FY 13
  - i.e. the fringe rate will be applied to these wages

Reallocation of Pre FY13 Salary and Benefits FY 13 and Forward

▸ As always, can only be accomplished by Direct Retro (DR)

▸ There will be two different DR Forms

  ▸ FY13 and forward

    ▸ New form

    ▸ Only need to enter the salaries that need to be moved

      ☐ Fringes will automatically follow based on fringe rate

      ☐ Form calculates this amount for you

  ▸ Pre FY13

    ▸ The same form you have been using (slightly enhanced)

Payroll Charges Detail Report and Summary of Payroll Charges

▸ New column added for calculated fringe

▸ FY 12 and prior will have the old columns populated and nothing in the calculated fringe

▸ FY 13 and forward will only have the calculated column populated

ProjID	ACCT	PayEndDT	RunID PPRD	FY	GROSS SALARY	CALCED. Fringe AMT	FICA [2725]	HEALTH [2710]	H.SCHG / [2711] /	OPEB [2712]	RETIRMT [ACCT]	UNEMPMT [ACCT]	SRA [ACCT]
DeptId:		EMPLOYEE:				[ID/Rcd	OWNER DEPT.:		FUND CODE: 119	PROGRAM:			
	PCBU: 00135	ACCT CD: 00000		ACTIVITY:00									
1013	03-10-12	12-19	2012	2,103.93	0.00	143.94	628.55	331.56/	0.00	248.11 [2760]	5.27 [2770]	0.00 [ ]
	03-24-12	12-20	2012	2,103.93	0.00	143.94	628.55	331.56/	0.00	248.11 [2760]	5.27 [2770]	0.00 [ ]
	07-14-12	13-01	2013	2,103.93	941.53	0.00	0.00	0.00/	0.00	0.00 [ ]	0.00 [ ]	0.00 [ ]
	07-28-12	13-02	2013	2,103.93	941.53	0.00	0.00	0.00/	0.00	0.00 [ ]	0.00 [ ]	0.00 [ ]

Chartfield Selection

PC BU		Project			Fund			Owner Dept			Program			Acct			Tx Dept		
00000	All PCBUs	1000▉	CALGB Federal Case Studies		000	All Funds		UMB	University of Maryland, Balto		000	All Programs		0000	All Accounts		UMB	University of Maryland, Balto	

Summary Levels: Posted PP

Display Options   Hide Fringe Detail Columns ☐   [Fetch]

View All | First ◀ 1-3 of 3 ▶ Last

Posted PP	Gross - Actual	Gross - Encumb	Fringe - Calculated	Fringe - Retire	Fringe - SS	Fringe - Med Ins	Fringe - Med Sub	Fringe - U/C Ins	Fringe - Other	Fringe - Total
'12-22'	378.69	-351.65		35.89	28.73	0.87	0.23	1.06		66.78
'13-01'	378.69	19,367.22	94.67							94.67
'13-02'	378.69		94.67							94.67

UMB Paycheck/Distributions Screen

▸ Fringe Tabs have been removed

▸ Replaced by fringe rate table at the bottom of the screen

Employee Earnings and Fringes

					Regular	
EmplID:	▉	▉				
Company:	UMB	**Earnings:**	480.00	**Empl Rcd#:**	0	**Off Cycle ?** ☐
Pay Group:	HRL	**Taxes:**	36.72	**Form Id:**	UMB01A	**Corrected** ☐
Pay End Date:	08/11/2012	**Deductions:**	0.00	**Check #:**	▉	
Page:	185	**Net Pay:**	480.00	**Check Dt:**	08/17/2012	
Line:	6					

Pay Earnings
First ◀ 1-4 of 4 ▶ Last

Addl #	Earnings Begin Date	Earnings End Date	Erncd		Hours	Earnings	Hourly Rate	FLSA Rate	Deptid	Acct Code	FICA	Tax Periods
2	06/17/12	06/23/12					12.000000	12.000000	▉		Subject	1
2	06/17/12	06/23/12	RGH	Regular Hourly	20.00	240.00	12.000000		▉			
3	07/01/12	07/07/12					12.000000	12.000000	▉		Subject	1
3	07/01/12	07/07/12	RGH	Regular Hourly	20.00	240.00	12.000000		▉			

Earnings Distribution
First ◀ 1 of 1 ▶ Last

ErnCd	Earns End Date	Fiscal Year	Acctg Period	Acct Code	Acct	Amount	DeptID	Empl Rcd#	BR / DR Pay End Date
RGH	07/07/12	2013	1	▉	2073	480.00	▉	0	

Calculated Fringes
First ◀ 1 of 1 ▶ Last

Acct Code	Fringe Acct	Amount	% Used
▉	2793	40.80	8.50

Earnings Sent to CPB (Note: Erncd RE is sent as Spaces)
First ◀ 1 of 1 ▶ Last

CPB Erncd	Description	Hours	Total Earnings	Overtime Earnings

Employee Deductions
Find   First ◀ 1 of 1 ▶ Last

Dedcd	Description	Ded Class	Amount

Employee Taxes
First ◀ 1-2 of 2 ▶ Last

Tax Entity	Tax Class	Tax Amount
US Federal	OASDI/EE	29.76
US Federal	MED/EE	6.96

Post Docs on Training Grants

- The only truly compliant way to pay these currently is through Accounts Payable

- Fringe exclusion checkbox on EFP will no longer be available

- All post doc wages will have the fringe rate applied

- The instances where we are paying through payroll will be identified and we will work with you directly to resolve issues

Cost Sharing Funds (14x)

- Benefits will be charged according to the rates like all other funding sources

- Cost sharing funding journal will now charge the default departmental funding project

  - Based on the home department of the employee, not the department of the grant

  - Previously funded from central benefits budget

What Has Not Changed Because of the Fringe Rate

▸ Benefit offerings

▸ How employees enroll in benefits

▸ Tuition remission process for grad students, employees, and dependents

  ▸ Rate only funds employee tuition remission benefits and this was paid centrally before

▸ EFP/Budget Retro Process

Useful links

- www.cost.umaryland.edu
  - Rate Agreement with the federal government
  - FAQs
  - Direct Retro Forms