Understanding Daily Cost Transfers in HR/Payroll

**Purpose and Trigger**

Perform this procedure when there is a need to change a salaried employee’s labor distribution without changing base pay. The change to distribution can be either retroactive or prospective. Examples of changes that prompt the initiator to use this transaction are these:

- an HR action (salary base pay change)
- receipt of a sponsored award
- termination of award
- general funding issues (sponsored and non-sponsored)

### Business Process Description Overview

The ZHPA_EFORM transaction is used when there is a need to change the account assignment allocation for a salaried employee’s labor distribution. This transaction is not for those employees who use SAP CATS, KRONOS or Nightingale. This process is used for University semi-monthly employees and Health System employees who are paid bi-weekly but who do not report hours in a time-keeping system. The department, or employee’s home cost center, will use the eform transaction to change an employee’s labor distribution when there is no change to the employee’s base pay salary. Once the transaction is approved through workflow, it updates IT9027 (Base Pay and Labor Distribution infotype. (HR is not part of this process.) The “start” and “to” dates on this infotype designate the period of time you work within when creating an eform transaction. ZHPA_EFORM is used by the unit cost maintenance initiator, and displayed by both the unit cost maintenance initiator and approver.

### Process Terms

<table>
<thead>
<tr>
<th>Process Terms</th>
<th>Definitions</th>
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<tbody>
<tr>
<td>Infotype (IT)</td>
<td>A logical grouping of HR records with similar characteristics.</td>
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<tr>
<td>IT9027</td>
<td>Custom infotype which combines two infotypes - Base Pay (IT0008) and Labor Distribution (IT0027).</td>
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<tr>
<td>IT1018</td>
<td>Infotype which contains employee’s organizational assignment information.</td>
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<tr>
<td>HR action</td>
<td>Event which requires changes to an employee’s master data or to create new master data.</td>
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<tr>
<td>ISR</td>
<td>Internal Service Request: an electronic form to request an HR action, such as Hiring.</td>
</tr>
<tr>
<td>IT9027 dates</td>
<td>“Start” and “To” validity dates created by an HR action.</td>
</tr>
<tr>
<td>Labor Redistribution dates</td>
<td>“From” and “To” dates of distribution periods by account assignment.</td>
</tr>
<tr>
<td>Personnel Number</td>
<td>Unique number assigned to employee/assignment by the system.</td>
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<tr>
<td>Reason Code</td>
<td>Category which classifies why the transaction is being created.</td>
</tr>
<tr>
<td>Rejection Code</td>
<td>Category which explains why the transaction is being rejected.</td>
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<tr>
<td>Employee Group</td>
<td>Category of employee defined by work schedule; in addition, used by Benefits to place an employee in the appropriate benefit eligibility grouping.</td>
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<tr>
<td><strong>Employee Subgroup</strong></td>
<td>Represents an employee’s exempt status combined with pay cycle, such as salaried exempt or hourly non-exempt.</td>
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<td>-----------------------</td>
<td>-------------------------------------------------------------------------------------------------</td>
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<tr>
<td><strong>Wage Type</strong></td>
<td>A type of payment or deduction.</td>
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<td><strong>Personnel Area</strong></td>
<td>At JHU, represents various academic entities headed by a dean, with some exceptions; at JHS, represents each unit with a separate EIN, or <strong>Human Resources function</strong>.</td>
</tr>
<tr>
<td><strong>Personnel Subarea</strong></td>
<td>Represents categories of positions in an organization based on the type of work performed, for example, visiting faculty, deans and executives, regular nurses, or bargaining unit.</td>
</tr>
<tr>
<td><strong>Base Salary</strong></td>
<td>Salary paid per pay period - semi-monthly or bi-weekly.</td>
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<tr>
<td><strong>Control Salary</strong></td>
<td>Base salary amount; also referred to as unsupported salary.</td>
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<tr>
<td><strong>Default Distribution</strong></td>
<td>Cost Center, Payroll Error account, Home Budget Cost Center</td>
</tr>
<tr>
<td><strong>Workflow</strong></td>
<td>Automated sequential process to route messages and transactions.</td>
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<tr>
<td><strong>Business Workplace</strong></td>
<td>A user’s integrated work area.</td>
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<tr>
<td><strong>Account Assignment</strong></td>
<td>Cost object number for cost center, internal order, WBS element.</td>
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</table>

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<tr>
<th><strong>Output - Results</strong></th>
<th><strong>Comments</strong></th>
</tr>
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<tbody>
<tr>
<td>None</td>
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**Tips and Tricks**

- **Retroactive labor distribution changes must be approved by Cost Accounting.**
- If the “From” and “To” dates in your labor distribution cross two or more periods of time as defined by IT9027 dates, a transaction must be completed for each time period on IT9027.
- An HR action in PA40 to change base pay supersedes any eform transaction. If an HR transaction to change salary for an employee is in process, the eform will be canceled and returned to the initiator.
- History is maintained within this transaction.
- From the SAP Easy Access screen, the Business Workplace can be accessed by clicking the right button on the mouse and choosing Business Workplace from the drop-down menu.
- Once an eform transaction is in workflow, you always enter that transaction through Business Workplace.
- If you “hold” an eform while creating or changing, because it is not considered completed, you must enter the eform through the “Change Redistribution” link.

**Process**

The process begins **at the department level** in the employee’s home cost center. Initiator begins the transaction ZHPA_EFORM by entering an employee’s **Personnel number**, choosing a **Reason code** (C1 Administrative Error, C2 Closely-related work allocation, C3 Effort expended to proper account) and defining a period of time. Reason code C1 has logic which requires an additional explanation before the transaction can be submitted for approval.
Sub-processes:
There are four sub-processes within the transaction - New, Change, Display, Approve. Each sub-process has a hyperlink in the left panel of the ZHPA_EFORM transaction screen, so that once you enter the transaction, you can link to a sub-process from the initial screen.

Transaction Links:
There are four transactional links on the initial ZHPA_EFORM screen in the upper left panel. Clicking a link here opens a new transaction, labeled just to the right of the link.

Create New Redistribution

1) **New Redistribution**: link to transaction ZSEC_9027COSTNEW for inputting new redistribution in a record

2) **Change Redistribution**: link to transaction ZSEC_9027COSTMOD for updating a redistribution record or completing one that was placed on hold

3) **Display Redistribution**: link to transaction ZSEC_9027COSTDIS for displaying history of labor distribution

4) **Approve Redistribution**: link to transaction ZSEC_9027COSTAPP for approving a redistribution

Once a transactional link is selected on the left, the main window changes, as do the links in the left panel.
Once a link is selected on the left, the main window changes. For each of these sub-processes, three tabs appear - Base Pay, Changing Labor Distribution, Period Review. Base Pay and Period Review tabs are for display only. The Changing Labor Distribution tab is used to change data when creating or modifying an eform; otherwise, it is display only.

**Base Pay** – Defaults base pay information from employee’s existing IT9027 record. (1) IT9027 is a combination of base pay and labor distribution across cost centers. If the base pay is not correct, it must first before proceeding be changed through processing an ISR form requesting an **HR action** to change base pay. The ISR Initiator will receive a confirmation when the salary change transaction has been executed in SAP.
Changing Labor Distribution—Defaults the existing labor distribution from IT9027. Changes to the existing distribution are made on this screen (1). Initiator must enter “From” and “To” dates, account assignment (cost center, internal order, WBS element), exact salary dollar amount. Business Area, Grant, and Percentage are defaulted by the system. Wage type (refers to the type of payment) is defaulted if you are only entering one. An example is wage type 1000 refers to “salaries”. When using multiple wage types, each will have to be entered on separate lines, along with other information for the distribution. Fund is usually defaulted, but there will be occasions when the initiator will need to enter this also. Where the fund is not defaulted, a system message will inform the user that it is missing. The system accepts a total of 50 lines of distribution for any single period. Current business process to collect this information remains the same.

The transaction has been built to support sponsored-related requirements which include:

- Checks “To” and “From” dates from grant master data.
- Verifies from grant master data that “Fellowship payment” is allowed to post to sponsored program (sponsored internal order account assignment). Verifies from HR that employee is in EE subgroup 20 and wage type 3015 (see unit cost maintainer course for details).
- Verifies from grant master data if “Administrative staff salary” is allowed to post to sponsored program (sponsored internal order account assignment). Verifies from HR that employee is in personnel subarea U005 (Staff Admin) or U015 (Senior Staff Admin). See Unit Cost Maintainer Course for details.
- Verifies from grant master data if “Salaries” is allowed to post to sponsored program (sponsored internal order account assignment).
- Calculates difference between creation date and oldest “From” date to require a 90 days late explanation.

Non-sponsored-related requirements which are included are:

- Verifies if cost assignment exists.
• Will not allow more than one e-form transaction for an employee to be processed at the same time (multiple eforms).

• Verifies by salary period that the total dollar amount in labor distribution is not greater than the base salary.

• Verifies that only wage types (types of payments) authorized for use on IT9027 are being used.

• Verifies that distribution does not cross business area range 100-299 and 400-499. The employee’s **default cost center** determines the business area range in which the account assignments in the distribution should reside.

• Prevents more than one transaction for an employee from being processed at the same time (so that HR actions and ZHPA_EFORM transactions do not interfere with each other).

• Allows only specific wage types.

The employee’s default labor distribution, from IT1018, is displayed in the lower portion of the screen (2). The Cost Distribution is populated from the Organization Unit Cost Assignment on IT1018 and is the **control salary default** account. IT1018 for each employee contains his or her organization-related information. Every salaried employee has a default account, which is used to charge any salary which is less than the base salary amount (also referred to as unsupported salary or **control salary**) in any period. This account assignment is a cost center account – 10 digit number ending in “99”. Changing this default account assignment requires changing IT1018 via an ISR process in HR, which updates IT9027. There is only one distribution line allowed and this line must equal 100%.

**Create New Redistribution: Period Review Tab**

**Period Review** – Defaults labor distribution from Changing Labor Distribution tab into unique periods. Each period is a page and each transaction can have multiple pages, but has a minimum of two pages. Any unsupported salary defaults as a line item charged to Default Cost Distribution (not shown on this screen).

A transaction can be placed on “Hold” at any time during the “create” or “change” process. This saves the transaction enabling the initiator to change, release for approval, or cancel at a later time. If a transaction is placed on “Hold”, the initiator must either complete and release for...
approval or cancel the transaction on “hold” before initiating another one for the same employee. One enters this transaction through the second sub-process, “Change Redistribution”.

At any time after entering data and in any of the sub-processes, you can also select four links:

**Requested Change Link**

(1) Requested Change – Replicates Changing Labor Distribution Tab

**Resulting Change Link**
(2) Resulting Change – System calculates and displays changes requested as debits and credits. Can be multiple pages based on distribution time period. Contains a validation for cumulative net-zero dollar entries.

Original Data Link

(3) Original Data – Displays data as it appeared before changes were requested – base pay, labor distribution, and period review.

Explanation Notes Link
The required explanation notes and standards for notes are the same as your current business process.

1. **Funding Change** – explanation required for C1 reason code (Administrative Error).
2. **90 Days Late** – explanation required for transaction affecting a period more than 90 days prior to the document creation date.
3. **User Comment** - any comments initiator wishes to place with transaction.

Upon completion of the transaction, initiator releases for approval, which creates a pending record and triggers the workflow approval process. **Payroll driver will not pick up 9027 until approved.**

### Approvals

The workflow process can consist of two approvals—department and sponsored-shared services—but requires at least one approval—department. The system was built to use the data in the transaction to determine which of the two workflows to use. This can be viewed on the Eform screen by looking at the “category” of the transaction. There are five categories:

1. **Sponsored Retro Charges** – requires department approval and sponsored shared services approval
2. **Sponsored Retro Credits** – requires department approval
3. **Sponsored and Prospective** – requires department approval
4. **Sponsored Within Same Grant** – requires department approval
5. **Non-sponsored** – requires department approval

### Business Workplace of Isabel Miles

Both the Department approver and the Sponsored-Shared Services approver enter the transaction through the Business Workplace Inbox. One can access this by using transaction code SBWP. After reviewing the eform, the approver either "approves" or "rejects". If the transaction is rejected, a rejection reason must be selected. The rejection reason appears in the header information on the transaction.

The choices are:
1. CT01 Effort previous certified
2. CT02 Explanation not sufficient
3. CT03 Late reason not sufficient
4. CT04 Department requested rejection
5. CT05 Sponsored award was terminated

After selecting the rejection reason, the transaction is sent back to the initiator to take action. See "Unit Cost Maintenance Approver" course for details. If the initiator releases the transaction for approval, the process loop begins once more.

The transaction's status can be tracked by entering the third sub-process “Display Redistribution”. By using the display screen, you can view status, creator, submissions, resubmissions, and approval data/time data. Status changes as transaction makes it way from beginning to end in Workflow. It can be held, submitted, in process, approved, canceled, or canceled due to concurrent HR transaction. From the display screen, an initiator or approver can also drill down into the original transaction. All eform transactions for each employee can be displayed here, listed in 9027 date order, with most recent first.

All approving is done via the Business Workplace only, through transaction SBWP. See “Approving a Labor Distribution” reference document for details.

When an eform transaction has completed the cycle from create to final approval, it updates the IT9027 record with the new labor distribution and the cycle to create a new labor redistribution begins again.

**Note:** Once the cost transfer is approved, it will update the employee’s infotype 0003 (payroll status) to trigger a retro-calculation, in the next payroll, back to the Begin date of the Original record. The new, current record does not delimit the old record (store it with history) but literally changes it (overwrites it).
Process Flow

Trigger Need to change Labor Distribution WEEK Report, Receipt of Award, Termination of Award, or General Funds Issue.

Unit Cost Initiator opens ZHPA_EFORM.

Enter Personnel# and click Enter

Accept screen defaults and double-click New Redistribute Link.

Select Reason Code and Time Period

Does Labor Distribution affect more than one time period?

Double-click New Redistribute again.

Initiator opens ZHPA_EFORM.

Access Change transaction link.

completes form.

Click Hold icon to save data.

Initiator Verifies Record Created status of request.

Click Release button to Release for Approval.

Y

N

Labor Distribution Info. Complete?

Enter Additional Explanation Notes required for reason codes C1 or 800 Days late Explanation.

As needed, double-click Explanation Notes.

Review by period for Labor Distribution against ISR or other change documents. Control salary picks up any differences.

Review the default cost distribution (Control Salary) in lower section. Default should equal 100%

Click Changing Labor Distribution Tab Enter From, To, Order or WBS element, or Cost Center and Amount in Dollars. Click Enter

Review Status and Category defaults.

Review Status and Category defaults.

Click Changing Labor Distribution Tab Review data from TU, Order or WBS element, or Cost Center, funds, and Amount in Dollars. Review Status and Category defaults.

Click Period Review tab, Review Retro charges, Period changes.

Click Resulting Change Link, Review Results of Change to Labor distribution.

Results of Labor Distribution Update F9037 in Employee’s Master Data record.

Approver opens Inbox folder.

Click Link to Approver’s Request in Task list Message states Employee XYZ Waiting Your Approval.

Unit Cost Approver opens SBWP accesses ZHPA_EFORM via link.

Click Link to Initiator’s Request in Task list Message states Employee XYZ Waiting Your Approval.

Unit Cost Approver opens SBWP accesses ZHPA_EFORM via link.

Click Changing Labor Distribution Tab Review data from TU, Order or WBS element, or Cost Center, funds, and Amount in Dollars. Review Status and Category defaults.

Approve/Reject Request?

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IT9030 is a custom intotype developed to accumulate the payroll results from IT9027 (Base Pay and Labor Distribution) for university’s Effort Reporting System (ERS). To view an employee’s semi-monthly payroll distribution results, the user accesses this record via transaction PA20 (Display HR Master Data), enters the employee’s personnel number, and specifies IT9030 (Payroll Distribution for Effort). See user reference “PA20 Displaying an Infotype” for more details. The user can view results of specifics periods of time in summary form or see details for cost objects.