

To-Be Process Review Workshop

Human Resources

Scheduling and Overpayments

Location: ROSS Building

Room: 130

Time: 1:00 pm - 5:00 pm

Date: 8/17/05

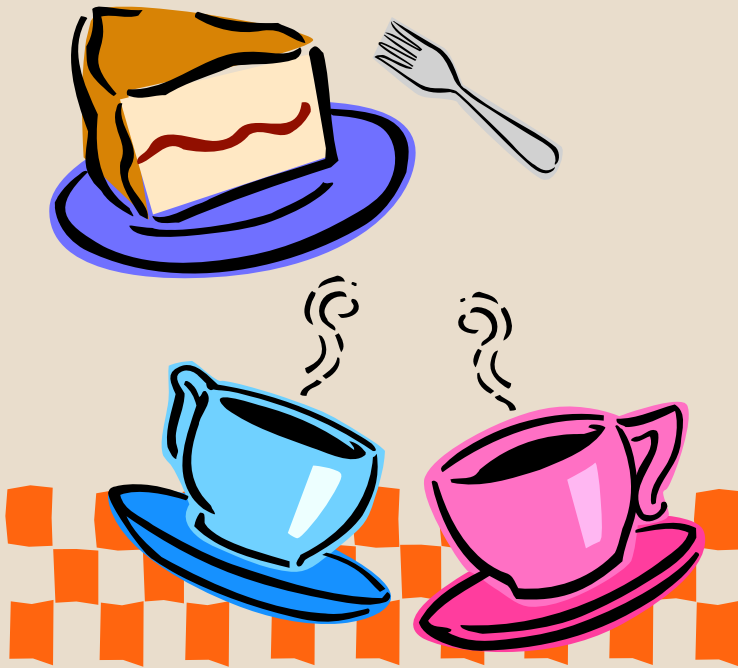
Welcome!

- Introductions of Group
 - Representatives from:
 - » HR & Payroll West Lafayette
 - » HR & Payroll Calumet
 - » HR & Payroll Ft. Wayne
 - » HR & Payroll North Central
 - » One Purdue HR team members
 - » Business Managers
 - » Physical Facilities
 - » Housing & Food Services
 - Facilitated by:
 - » Troy Markusson (BearingPoint)
 - With input from:
 - Rick Miller (Purdue)
 - Julie Gregory (Purdue)
 - Greg Gick (Purdue)



Workshop Logistics

- Speakers
- Tent Cards
- Rest Rooms
- Break
- Parking Lot



Workshop Agenda

1. Discuss Workshop Objectives, Rules, and Principles
2. Scheduling
3. Break
4. Overpayments
5. Capture Issues in the “Parking Lot”
6. Discuss Next Steps
7. Adjourn



Why Are We Here?

Our objective today is to...

- Discover
 - SAP terminology, definitions, and capabilities.
 - Specific opportunities for business transformation.
 - Best practices in the context of the SAP implementation.
 - Documented future process and any system gaps.

- Validate
 - “To-Be” data and business processes.
 - Required policy changes (if any).
 - Process acceptance by core process owners, advisory committees, and University leadership.

- Facilitate Communication and Change Management
 - The future state of Purdue University
 - How people, processes, and technology will Integrate in the future.

What Have We Done to Prepare?

To prepare for this workshop, we have...

- **Researched Best Practices**
 - SAP software is the best practice source.
 - As stated in the One Purdue Guiding Principles, the SAP software WILL NOT be modified.
- **Developed Proposed Business Processes**
 - The “To-Be” business processes were developed utilizing the best practices found in the SAP software.
- **Reviewed and Refined the Proposed Processes with Knowledgeable Staff in Key Operational Positions.**
 - Presented the proposed processes.
 - Gathered feedback, learned of gaps, implemented changes as necessary.

What is Your Role?

Today, we need you to...

- Review and Validate the Proposed Process.
- Identify Gaps in the Proposed Process.
- Identify Organizational Challenges.
- Help Us Facilitate Change Management.

What will come from this Meeting?

The output from this meeting includes...

- A Business Process Review Report.
- To-Be Process Flowcharts.
- Gap Analysis Report.
- Functional Specifications Report

Workshop Ground Rules

- Respect Time
- Respect Process
 - Stick to agenda topics.
 - One subject discussed at a time.
- Respect One Another
 - One conversation at a time.
 - Cell phones and Blackberrys turned off.
 - Listen.
- Stretch
- Keep the end in sight
- Work to gain consensus on terminology
- Silence means agreement
- Issues will be parked and resolved outside the meeting



BPR Guiding Principles

1. “OnePurdue Guiding Principles” will apply.
2. Scope: Critical business processes for HR, Finance and Campus Management.
3. Primary best-practice source = SAP and third-party bolt-on solutions (return-on-investment opportunity).
4. SMEs will be empowered by process owners to make key decisions regarding processes.
5. Enterprise processes will adhere to software best-practices – flexibility in implementation.
6. Disposition for exceptions to best practices:
 - a. Termination of process
 - b. Work-Around: “User Exit” w/o code modification
 - c. Off-the-shelf bolt-on
 - d. Offline operation
7. Process owners and key stakeholders “buy-in” validation required.
8. All best practices (5) and exceptions (6) must be integrated into the OnePurdue system.
9. Successful BPR also requires:
 - a. Executive commitment
 - b. Effective change agents to drive best practices and overcome resistance
 - c. Appropriate organization structure
 - d. Institutional willingness to consider radical change

What Is the OnePurdue Project Timeline?

OnePurdue SAP Implementation Timeline	2005												2006										
	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Financials and Procurement	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
HR/Payroll 1	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
HR/Payroll 2	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
HR/Payroll 3	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Campus Management 1	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Campus Management 2	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█
Campus Management 3	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█

Finance and Procurement: Accounts payable, Account receivable, Work Effort Reporting, purchasing
HR/Payroll 1: e-Recruitment

HR/Payroll 2: Organizational Management, Personnel Administration, Payroll, Benefits, Time Entry and Evaluation, ESS, Workflow

HR/Payroll 3: Personnel Development, Open Enrollment, Year-End Payroll Processing

Campus Management 1: Student Recruitment, Admissions, PFAE/ADMS, Transfer Articulation and Equivalency Rules

Campus Management 2: Financial Aid

Campus Management 3: Course Catalog, Student Master, Academic History, Grading, Degree Audit, Graduation, Student Accounting Master Data, Cashiering, Account Management, Billing, Payment Plans, Classroom Scheduling, Registration, Academic Calendar, Academic Progression

Let's Get Started!

Our topics today are...

- *Scheduling (Payroll Calendars)*
- *Overpayments*



Payroll Calendars in SAP

How are Payroll Calendars Setup in SAP?

- Payroll Areas
 - Determine start date, end date, pay date, and payroll frequency
 - Defaulted based on enterprise structure
 - Employee can only belong to ONE payroll area
 - All employees falling under the same payroll area will always be run together for a regular payroll
 - Payroll areas are assigned a two character code

Payroll Area Defined

- A Payroll Area is a group of employees included in the same payroll run
- A Payroll Area is used to group employees together:
 - Who have the same payroll periodicity
 - For whom the payroll runs at the same time
 - Who have the same payment date, and
 - To whom the same earliest possible retroactive accounting period applies
- In other words, same pay calendar

Current Payroll Frequencies

- Biweekly
- Monthly – Fiscal Year
- Monthly/Bi-weekly – West Lafayette Academic Year/Summer
- Monthly/Bi-weekly – Calumet Academic Year/Summer
- Monthly/Bi-weekly – Fort Wayne Academic Year/Summer
- Monthly/Bi-weekly – North Central Academic Year/Summer

Current Payroll Frequencies – Cont'd

- Biweekly
 - Pay period is Monday - Sunday
 - Pay day is ten days after last day of the pay period (Wednesday)
- Monthly – Fiscal Year
 - Pay period is 1st of month to last day of the month
 - Pay day is last business day of the current month
- Monthly – Academic Year
 - Pay periods are based on start date of the academic year with ten pay periods evenly broken out over the year
 - Pay day is last business day of the month (with several exceptions)
- Biweekly – Academic Summer
 - May have as many as four biweekly summer payroll areas
 - » Dependant on last day of Academic year
 - Pay periods are based on start date of summer session with nine pay periods evenly broken out over the summer
 - Pay day is always a Friday


Payroll Areas in SAP

- Biweekly (BW)
 - No changes from today
- Monthly – Fiscal Year (FY)
 - No changes from today
- Monthly – West Lafayette (WL)
 - Academic year will be the same
 - Summer will be moved to two monthly payrolls evenly distributed over summer session
- Monthly – Calumet (CA)
 - Academic year will be the same
 - Summer will be moved to two monthly payrolls evenly distributed over summer session
- Monthly – Fort Wayne (FW)
 - Academic year will be the same
 - Summer will be moved to two monthly payrolls evenly distributed over summer session
- Monthly – North Central (NC)
 - Academic year will be the same
 - Summer will be moved to two monthly payrolls evenly distributed over summer session

Basic Pay – 10 Month Exempt

Change Basic Pay

 Salary amount
  Payments and deductions

Person ID Pers.Assgn 
 Personnel No Name
 EE group Active Personnel ar West Lafayette
 EE subgroup <=10 Month Exempt Status
 Start to Chng

Subtype Basic contract

Pay scale

Reason	<input type="text"/>	Capacity util. level	<input type="text" value="100.00"/>
PS type	<input type="text" value="01"/> Salaried Exempt	Work hours/period	<input type="text" value="173.33"/> Monthly
PS Area	<input type="text" value="02"/> West Region	Next increase	<input type="text"/>
PS group	<input type="text" value="GRD01"/> Level <input type="text"/>	Annual salary	<input type="text" value="120,000.00"/> USD

Wa...	Wage Type Long Text	O.. Amount	Curr...	L...	A..	Number/Unit	Unit
M003	Pay Period Salary	12,000.00	USD		<input checked="" type="checkbox"/>		

10 Month Exempt Through Payroll

- During two summer sessions, a payroll rule will wipe out the salary on being pulled in from infotype 0008
- Benefits will only be deducted over ten periods and the costs will be increased over those ten periods to cover the additional two periods

10 Month Exempt Summer Employment

- Summer employment will be paid on infotype 0014 (Recurring Payments) or infotype 0015 (Additional Payments)
- Benefits will not be processed through summer

10 Month Exempt Summer Employment – Infotype 0014

Create Recurring Payments/Deductions



Person ID	29	Pers.Assgn	00000029 West Lafayette Regul...	
Personnel No	29	Name	10 month Troy Test	
EE group	1 Active	Personnel ar	Z005 West Lafayette	
EE subgroup	Z1 <=10 Month Exempt	Status	Active	
Start	07/01/2006	to	12/31/9999	

Recurring Payments/Deductions

Wage Type	A150	Summer Pay	
Amount	1,200.00	USD	
Number/unit			
Assignment Number			
Reason for Change			

Payment dates

Payment model				
1st payment period		or	1st payment date	
Interval in periods			Interval/Unit	

Basic Pay – 12 Month Exempt

Change Basic Pay



Salary amount



Payments and deductions

Person ID	32	Pers.Assgn	00000032 West Lafayette Regul...	
Personnel No	32	Name	12 month Troy Test	
EE group	1 Active	Personnel ar	2005 West Lafayette	
EE subgroup	Z2 12 Month Exempt	Status	Active	
Start	08/01/2005	to	12/31/9999	Chng 08/10/2005 TMARKUSS

Subtype 0 Basic contract

Pay scale

Reason	<input type="checkbox"/>	Capacity util. level	100.00
PS type	01 Salaried Exempt	Work hours/period	173.33 Monthly
PS Area	02 West Region	Next increase	
PS group	GRD01 Level <input type="checkbox"/>	Annual salary	120,000.00 USD

Wa...	Wage Type Long Text	O..Amount	Curr...	I...	A..	Number/Unit	Unit
M003	Pay Period Salary	10,000.00	USD		<input checked="" type="checkbox"/>		

No More Biweekly for Academic Summer Employees!!!

- There will now be twelve academic payrolls throughout the year
- Will still receive academic salary (and have benefits deducted) over the first ten periods of the academic year
- If employee works over the summer they will receive earning called Summer Session
- Academic payrolls will be ALL paid on the last business day of the month

Academic Payroll Pay Date Exceptions

- Two exceptions:

1. For those employees that were not budget approved on the August 31 payroll, they will be paid an off cycle on September 15

2. May 31 payroll will be paid on May 15 to pay out all academic year pay

- » Special off-cycle payroll will be run on May 31 to capture summer employment worked from end of academic year to end of May

Payroll Areas Defaulting to Enterprise Structure

- BW – Employee Subgroup Non-exempt
- FY – Employee Subgroups 12 Month Exempt and Fellowship
- WL – Employee Subgroup 10 Month Exempt and Personnel Area West Lafayette
- CA – Employee Subgroup 10 Month Exempt and Personnel Area Calumet
- FW – Employee Subgroup 10 Month Exempt and Personnel Area Fort Wayne
- NC – Employee Subgroup 10 Month Exempt and Personnel Area North Central

Administrative and Technical Assistants

- 40A's and 70A's
- Currently paid their salary on the either Fiscal or Academic monthly payroll and overtime on Biweekly payroll
- Will be moved to Biweekly payroll prior to parallel payrolls

Concurrent Employment

- Currently over 900 employees who hold multiple positions and are paid on multiple pay frequencies
- Employee with multiple personnel assignments can only be processed on ONE payroll
 - Tax calculations and garnishment calculations require all earnings to be together
- Employee will be mapped to the payroll area of the employee's primary position

Biweekly Work Week Exceptions

- Currently identified on West Lafayette campus
 - Bus Drivers
 - Heat and Power
 - Police Dispatchers

- Special regional work weeks???

West Lafayette Bus Drivers

- Currently paid based on a Wednesday to Tuesday schedule
- Workweek needs to be set up this way because their majority of time is worked on weekends
 - Want to limit overtime
- In SAP, workweek will remain Wednesday to Tuesday, however pay period will be Monday to Sunday

West Lafayette Heat and Power

- Currently paid based on a Sunday to Saturday schedule
- Paid 72 hours one period and 88 hours the next period
- In SAP, workweek will remain Sunday to Saturday, however pay period will be Monday to Sunday

West Lafayette Police Dispatchers

- Currently paid based on a Saturday noon to Saturday noon schedule
- Work four, twelve hour days
 - Saturday is split and first six hours fall into previous week, next six hours fall into next week
- In SAP, workweek will remain Saturday noon to Saturday noon, however pay period will be Monday to Sunday

Any other exceptions???

Overpayments in SAP

How are Overpayments Handled in SAP?

- All master data in SAP is date sensitive
 - No more overriding of master data with the current information
- When master data is changed, the old information is “delimited” and the new information starts on the effective date of the change
- If the change happens to be in the past, the next time payroll runs it goes back to the period where the change occurred and reruns that payroll
 - The retroactive difference from the old payroll to the new payroll is carried forward and paid on the current check.
- Retroactivity can happen for Time, Benefits, HR, and Payroll
- An overpayment is any retroactive adjustment that takes pay away from the employee

How does one know if retroactivity is going to take place?

Start to Chng TMARKUSS

Subtype Basic contract

Pay scale

Reason	<input type="text"/>	Capacity util. level	<input type="text" value="100.00"/>
PS type	<input type="text" value="01"/> Salaried Exempt	Work hours/period	<input type="text" value="173.33"/> Monthly
PS Area	<input type="text" value="02"/> West Region	Next increase	<input type="text"/>
PS group	<input type="text" value="GRD01"/> Level <input type="text"/>	Annual salary	<input type="text" value="123,000.00"/> USD

Wa...	Wage Type Long Text	O..	Amount	Curr...	I...	A..	Number/Unit	Unit
M003	Pay Period Salary		12,300.00	USD		<input checked="" type="checkbox"/>		
				USD		<input type="checkbox"/>		
				USD		<input type="checkbox"/>		
				USD		<input type="checkbox"/>		
				USD		<input type="checkbox"/>		
				USD		<input type="checkbox"/>		
				USD		<input type="checkbox"/>		

IV - USD

Enter data for payroll past (retroactive accounting)

Overpayments

- SAP will collect entire overpayment the next time payroll is run
- If employee does not have enough money to collect back overpayment in the following pay period, claim will be generated

Claims in SAP

- Treated much the same as a deduction that goes into arrears except that this is an earning
- Payroll will take as much pay as possible from the employee and place the remainder in a special claims wage type (wage type /561)
- The next time employee has money the claim will collect the remaining overpayment

Options for Paying Back Overpayment

1. Provide loan to employee
2. Allow employee to send in a check to Payroll for the net amount of the overpayment
3. If overpayment is caught prior to payday cancel check/direct deposit and re-issue

Overpayment Loan Advance

- Overpayment Loan Advance would be added as an Additional Deduction on infotype 0015
 - Would be entered as a negative deduction to increase employee's net pay
- This Advance would offset the collection back of the overpayment
 - Overpayment will happen regardless, need to offset so employee still has funds

Overpayment Loan Advance - Infotype 0015

Change Additional Payments



Person ID	29	Pers.Assgn	00000029 West Lafayette Regul...		
Personnel No	29	Name	10 month Troy Test		
EE group	1 Active	Personnel ar	2005	West Lafayette	
EE subgroup	Z1 <=10 Month Exempt	Status	Active		
		Chng	08/11/2005	TMARKUSS	

Additional Payments

Wage Type	BE36	Overpayment Loan Advance			
Amount	A	500.00-	USD	<input type="checkbox"/>	
Number/unit	<input type="text"/>	<input type="text"/>			
Date of origin	08/01/2005				
Default Date	<input type="text"/>	<input type="text"/>			
Assignment Number	<input type="text"/>				
Reason for Change	<input type="text"/>				

Overpayment Loan Payback

- Overpayment Loan Payback would be set up on infotype 0014 (Recurring Deduction) with the per pay period to be paid back
- Overpayment Loan Balance will be entered on infotype 0015 (Additional Deduction) with the total balance of the loan
 - This should equal the amount that was entered as the Overpayment Loan Advance
- “Balance wage type” will be brought up automatically after recurring deduction is saved

Overpayment Loan Deduction - Infotype 0014

Create Recurring Payments/Deductions



Person ID	29	Pers.Assgn	00000029 West Lafayette Regul...
Personnel No	29	Name	10 month Troy Test
EE group	1 Active	Personnel ar	2005 West Lafayette
EE subgroup	Z1 <=10 Month Exempt	Status	Active
Start	08/01/2005	to	12/31/9999

Recurring Payments/Deductions

Wage Type	M235	Overpayment Loan - Ded
Amount	A	100.00 USD
Number/unit		
Assignment Number		
Reason for Change		

Payment dates

Payment model		
1st payment period		or 1st payment date
Interval in periods		Interval/Unit

Overpayment Loan Balance - Infotype 0015

Create Additional Payments



Person ID	29	Pers.Assgn	00000029 West Lafayette Regul...	
Personnel No	29	Name	10 month Troy Test	
EE group	1 Active	Personnel ar	2005 West Lafayette	
EE subgroup	Z1 <=10 Month Exempt	Status	Active	

Additional Payments

Wage Type	M236	Overpayment Loan - Bal
Amount	500.00	USD
Number/unit		
Date of origin	08/01/2005	
Default Date		
Assignment Number		
Reason for Change		

Overpayment Loan – Accounting Postings

- Both the Overpayment Advance and the Overpayment Loan Deduction will need to post to the same GL account
- Once the loan has been completely paid off then the balance in the receivable account will be \$0.00
- When the overpayment is initially processed through payroll the gross wage type (salary, regular, overtime, etc) is reduced. The expense account is reduced at that time.

Allow Employee to Pay Back Overpayment by Personal Check

- Need to record in SAP that overpayment was paid back by check
 - SAP will always process overpayment through Payroll
- The personal check will be setup as a negative deduction on infotype 0015
- This will offset the overpayment collecting back from the employee and will result in no difference to net

Personal Check - Infotype 0015

Change Additional Payments



Person ID	29	Pers.Assgn	00000029 West Lafayette Regul...		
Personnel No	29	Name	10 month Troy Test		
EE group	1 Active	Personnel ar	Z005	West Lafayette	
EE subgroup	Z1 <=10 Month Exempt	Status	Active		
		Chng	08/11/2005	TMARKUSS	

Additional Payments

Wage Type	BE36	Personal Check			
Amount	A	500.00-	USD	<input type="checkbox"/>	
Number/unit	<input type="text"/>	<input type="text"/>			
Date of origin	08/01/2005				
Default Date	<input type="text"/>	<input type="text"/>			
Assignment Number	<input type="text"/>				
Reason for Change	<input type="text"/>				

Personal Check – Accounting Postings

- The personal check being deposited will need to be posted to the same GL account as the wage type that is being processed through Payroll
- When the overpayment is initially processed through payroll the gross wage type (salary, regular, overtime, etc) is reduced. The expense account is reduced at that time

Off-cycle Processing to Cancel Check/Direct Deposit and Reissue

- If overpayment is realized prior to payday check can be cancelled or direct deposit recalled
- Master data would be updated in SAP and an Adjustment Off-cycle would be processed to repay correctly
- Off-cycle BPR scheduled for September 15

Cross Year Overpayments

- Processed differently depending on how monies are collected back from employee
- If employee “repays” employer the wages he/she received for a previous year these must be treated as a prior year correction and a W-2c is required. (IRS Publication 15, Circular E)
- If the employer collects the monies back from an employee for a previous year on their current year pay check, those monies are to be recorded on the current year’s W-2. This is known as “constructive receipt”. (IRS Publications 17 and 525)

Cross Year Repayments (W-2c)

- If employee pays back monies to Purdue in the form of a check in a subsequent year, a W-2c needs to be issued
- Record as personal check on infotype 0015
- Year-to-dates will be manually updated by running a Manual Check Adjustment (infotype 0221)
- W-2c will be processed because of YTD changes from previous year
 - Year End processing BPR scheduled for September 29