

Bowling Green State University
BG@100 Action Item
ESC Submission: February 14, 2005

Identification Information:

<i>Reference Number</i>	HCM-A012
<i>Functional Area</i>	Payroll, Human Resources
<i>Title</i>	Leave Usage Verification Report
<i>ESC Submission</i>	February 10, 2005
<i>ESC Decision Requested By</i>	February 28, 2005

Issue Description:

The leave accrual process in PeopleSoft runs after the payroll is confirmed or has finished processing. Therefore, if an employee has reported more leave usage than their balance, the accrual process will subtract the usage from their balance, compute the new accrual amount for the current pay cycle, add it to the balance, and will allow a negative balance to exist for that employee. Only after payroll has run will it be known if we are over paying an employee for leave usage to which they were not entitled. Example – a full time classified staff member who does not have any sick leave balance submits a time sheet with 80 hours of sick leave, payroll processes and they get paid for 80 hours. The leave accrual process runs and provides the employee with an accrual of 4.1 hours based on the 80 hours reported. It then subtracts the 80 hours usage and show the person with a negative 75.9 hours as a sick leave balance. This process also lets an employee to use leave that is accruing during the current pay cycle, as indicated in the example and is not a practice that BGSU allows presently.

Background Information:

Currently in the AHRIS system, leave usage is entered by Payroll; validation is automatically made against the employee's leave balance and returns an error if the usage exceeds the leave balances. Payroll adjusts the usage to a zero balance and if it is an exception hourly or salaried person, they will contact them concerning the remaining leave usage reported. If the employee has no leave that can be used, the employee does not receive pay. BGSU policy is to not allow leave usage to exceed one's balance from the prior payroll cycle accrual date.

Alternatives:

Alternative #1: Use the process as delivered by PeopleSoft and allow leave balances to go negative. A query would be run to identify employees who have been overpaid for leave and additional labor would be necessary to reclaim the monies and make leave adjustments.

Alternative #2: Develop an SQR that runs before the Pay Confirm process and reports employees whose leave usage exceeds their leave balance. Payroll would manually adjust their leave usage as necessary before pay confirmation is run.

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The following table shows the pros and cons for the alternatives identified above.

#	Alternative	Pros	Cons	Notes
1	Use Leave Accrual Process as delivered by PeopleSoft	<ul style="list-style-type: none"> • No cost for developing SQR report 	<ul style="list-style-type: none"> • Employees can be overpaid for leave for which they are not entitled since the system pays first before the leave accrual process runs. • Leave can be used for an amount that will accrue in the current pay cycle, the accrual is based on the hours they are now working and is not to be used until future pay cycles. • Additional manual work to correct overpayments to employees • University funds are used to pay an item that should not have been paid. 	<p>On average, 12 to 18 employees report more leave usage than they have available to use each biweekly payroll and result in overpayments.</p> <p>This number may be reduced as leave balances will be included on printed time sheets after conversion.</p> <p>A BGSU policy should be developed to address leave usage paid but not earned and procedures on collecting the money from the employee due to BGSU.</p>

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The following table shows the pros and cons for the alternatives identified above.

#	Alternative	Pros	Cons	Notes
2	Develop an SQR to report negative leave balances	<ul style="list-style-type: none"> • Employees are not overpaid for leave they have not earned. • Negative balances are not allowed for any type of leave balance. • Leave usage cannot be used for leave time accruing in the current pay cycle. • University funds are not used to pay leave not earned that will need to be reclaimed later. 	<ul style="list-style-type: none"> • Cost of developing the SQR • Manual labor to adjust leave usage to a zero balance after time has been initially entered 	On average, 12 to 18 employees report more leave usage than they have available to use each biweekly payroll, but overpayment will be avoided.

Costs - Alternative #1: There are no costs for the project, but there will be additional costs for BGSU in monies paid out for leave not earned. There will also be labor costs associated with monitoring overpayments and reclaiming the money paid out to employees on a continuous basis.

Costs - Alternative #2:

Estimated Hours for Original Implementation	20 Hours	
Estimated Cost for Original Implementation	\$3,000	
Estimated Hours per Each Upgrade	5 Hours	
Estimated Cost per Each Upgrade	\$250	

Schedule Considerations:

Alternative #1 - No impact on the project go-live date.

Alternative #2 – Due to the fact that there are now three Affirmative Action reports we do not have to develop, this can be completed in time for the HCM Phase I go-live.

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Recommendation:

Alternative # 2: Leave validation against balances will occur during payroll processing so that employees will not be overpaid and leave balances will not go negative. This alternative is also recommended based on the Time & Labor module being implemented in the future.

Recommendation Supported By:

Name	Project Role
Larry Smith	Payroll Functional Lead
Donna Wittwer	Benefits Functional Lead
Karen Woods	HR Functional Lead
Charlotte Petryshak	Project Director

ESC Decision:

Vote for Alternative #2.
Chris Dalton – For
Linda Dobb - For
Bahram Hatefi - For
Ron Lancaster - For
Bruce Petryshak - For

ESC Decision Date: 02-14-2005