

Grant Management User Guide

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Lawson Enterprise Financial Management

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Overview of Grant Management

The Lawson Grant Management application works in conjunction with Lawson Financials, Procurement, and Human Resources to provide a solution that integrates planning, payroll, purchasing, and accounting processes for the administration, tracking, and reporting of sponsored projects.

What Is the Lawson Grant Management Application?

The Lawson Grant Management application provides functionality to manage sponsored projects for universities, academic medical centers, research hospitals, research institutes, non-profit organizations, and K-12 school districts. Grant Management works in conjunction with the Lawson Financials, Lawson Procurement, and Lawson Human Resources to provide a solution that integrates planning, payroll, purchasing, and accounting processes for optimum administration, tracking, and reporting of sponsored projects.

Lawson Grant Management is a post-award solution.

Grant Life Cycle

At a high level, the typical grant life cycle is divided into pre-award and post-award phases:

- The pre-award phase includes processes that occur before a grant is awarded, such as identifying funding sources, preparing, and submitting the actual grant application.
- The post-award phase includes processes that occur after a grant has been awarded such as grant setup, budgeting, transaction processing and control, and reporting.

How Grant Management Integrates with Other Lawson Applications

This section explains how the Lawson Grant Management application interfaces with other Lawson applications and products and non-Lawson applications.

General Ledger

General Ledger is the financial repository for the overall organization. It is the basis for producing departmental financial statements and enterprise-wide financial reports.

Project Accounting

Project Accounting is the financial data repository for grants. In Project Accounting, you will build an activity structure that supports the reporting requirements and processing rules for each grant, including budgets and system-wide budget checking rules. You may use burdens or allocations functionality to generate fringe and F&A costs. Inquiries and reports are available to help you manage and review grant financial data.

Billing and Revenue

Billing and Revenue Management is integrated with Project Accounting and allows you to bill sponsors for and recognize revenue on cost-reimbursable and fixed price grants. In Billing and Revenue Management, you will define rules and process billing and revenue according to each grant's requirements. You can create invoices or letter of credit draws, exclude unpaid Accounts Payable invoices, and use retainer functionality to manage grant advances.

Accounts Payable

In addition to standard Accounts Payable functionality for processing and paying invoices, you can create and maintain subcontractor vendors, charge invoices to grants, track paid invoices for billing and revenue recognition eligibility, and initiate and approve cost transfers on previously processed invoices.

Accounts Receivable

Standard Accounts Receivable features let you process cash receipts and manage outstanding balances owed on a specific grant by sponsor, grant, amount, or days outstanding. You can also apply cash to outstanding grant draws by letter of credit.

Human Resources

Human Resources is the data repository for employees and supporting data. Grant Management uses employee information for salary encumbrances, labor distribution, and effort reporting. Lawson Human Resources is required if you use Lawson Payroll or a third party payroll application.

Payroll

In addition to standard payroll processing features, Payroll automatically charges salaries and wages to the appropriate grants (activities) and departments (accounting units) based on predefined labor distribution templates. Effort data is captured automatically for employees subject to effort reporting.

Purchase Order

Purchase Order lets you to create and issue purchase orders, including subcontract purchase orders, and manage the receiving process.

Requisitions

In Requisitions, you can create and process requisitions for equipment or services for grant projects. Principal Investigators can approve requisitions at the line level.

Lawson Enterprise Performance Management Suite

Analytic Architect

With Analytic Architect, you can analyze grant-related activity data from a variety of perspectives and present it in graphic views.

Reporting Services

Reporting Services lets you create customized, Web-deployable reports.

Lawson Extensions, Information Management

Lawson Add-ins for Microsoft Office

Excel Upload Wizard is useful for loading grant data from a pre-award system, and can help streamline other data setup tasks. For more information about Lawson Add-ins, see *Getting Started with Lawson Add-ins for Microsoft*® *Office*.

ProcessFlow

Use ProcessFlow triggers and services to automate business processes, including over budget notifications and spending and cost transfer approvals.

Non-Lawson Applications

Grant-related data and transactions can be uploaded from non-Lawson applications, such as patient billing systems, non-Lawson payroll systems, or pre-award software. Batch import jobs are provided in Lawson for uploading transactions, employees, activities, and so on. You can also use Lawson Add-ins for Microsoft Office.

Grant Management Process Flow

The Grant Management application can be broken down into four main processes: setup, processing, reporting and auditing, and award close. This section provides an overview of each of these main processes.

Setup

Grant Management is closely integrated with the Lawson application suites. Some of the following tasks are pre-requisite setup, while others occur whenever a Notice of Grant Award is received. In Lawson Financials:

- In General Ledger, set up one or more General Ledger companies, accounting units, and accounts.
- In Project Accounting, set up your activity groups, account categories, and burdens to use with Grant Management. When you receive a Notice of Grant Award, set up grant activities, budgets, and if needed, cost share and program income activities. Make General Ledger account and burden assignments at the activity level if needed, and set up any allocations you may need to perform. For more information, see "Why is Activity Structure Important to Grant Management?" on page 20.
- In Billing and Revenue Management, set up contract records and billing parameters when you receive a Notice of Grant Award. For more information, see "Setting Up Contract Activities for Grants" on page 91.
- In Accounts Receivable, define one or more Accounts Receivable companies and process levels and set up customers to identify grant sponsors. An AR customer must exist for the grant sponsor before you can define contracts and billing parameters in Billing and Revenue Management, or complete award sponsor information in Grant Management.
- In Accounts Payable, define one or more Accounts Payable companies and process levels, and define vendors. Subcontract vendors must exist before you can assign award subcontractors in Grant Management.

In Lawson Procurement:

- In Requisitions, define one or more Inventory Control (IC) companies and locations, requesting locations, requestors, and approval codes.
- In Purchase Order, define one or more Purchase Order companies, buyers, and vendor agreements.

In the Human Resources Suite:

- In Human Resources, set up one or more Human Resources companies, process levels, employees, and supporting data (including pay plans, pay codes, and job codes).
- If you use Lawson Payroll, define payroll parameters, including deduction codes for employee withholding and employer-paid expenses.
- If you use Lawson Personnel Administration and want to define labor distribution templates by employee and position, set up position rules, positions, and related data.

Setup in Grant Management

When a Notice of Grant Award is received and grant activities are defined, set up detailed grant award information and labor distribution templates in Grant Management.

Award Setup

You define and maintain detailed grant award information in Grant Management. You can download award information from a pre-award system, or manually enter the information. Additional award information includes sponsor information, award dates, cost sharing parameters, program income parameters, award personnel, award subcontractors, award protocols, and award deliverables.

Labor Distribution Template Setup

Labor distribution templates determine how projected and actual salaries and wages are charged to grants. When a grant is received, define a template for each employee who will spend time and/or effort on research funded by the grant. Percentage splits determine how each employee's earnings and effort are charged to grants (activities) and departments (general ledger accounts). A template line must be approved to be eligible for salary encumbrance and labor distribution processing.

Processing

Once the grant award is setup in Lawson, your organization is ready to begin day-to-day processing that occurs throughout the duration of the grant, including:

- Encumbering salaries for grant personnel
- Paying employees and performing labor distribution
- Tracking and certifying effort
- Purchasing materials and subcontractor services
- Paying vendors for materials and subcontractor services
- Entering manual commitments against grants as needed for miscellaneous charges
- Billing the award sponsor, entering and applying payments received from the sponsor, and recognizing revenue

Reporting and Auditing

Grant Management includes several standard reports, including:

- Award Summary Report that shows expenses, recognized revenue, applied cash, budgets, and other information
- Reports for federal award compliance, including data required for the Financial Status Report (SF269) and Federal Cash Transactions Report (SF272)
- Labor distribution template reports, including listings, expiration, and status history reports
- Award setup listings

Standard reports and inquiries in Lawson applications, such as Project Accounting's Activity Commitment Summary Report, can also be valuable.

Award Close

When a grant ends, complete final processing steps in Lawson to close the award. Grant Management includes an Award Close Report that audits award data and provides a checklist of final processes to perform.

Setting Up Grant Activities

This chapter explains setup considerations for Lawson Project Accounting.

Because Grant Management uses activities and contracts as its base, grant setup begins in Project Accounting.

STOP Before you define grant activities in Project Accounting, determine the budgeting, processing, and reporting needs for your grants. There are many options in activity setup that have a major impact on processing, subsystem interaction, and reporting.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 28. The following concepts provide background and conceptual information for the procedures within this chapter.

- "Why is Activity Structure Important to Grant Management?" on page 20
- "What Factors Impact Project Accounting Structures for Grant Management?" on page 21
- "What Other Project Accounting Setup Should I Consider for Grant Management?" on page 25
- "How Can I Handle Fringe Costs?" on page 26
- "How Are F&A Encumbrances Handled?" on page 27

Why is Activity Structure Important to Grant Management?

Grant Management uses activities as its base. Grant Management setup begins with defining an activity structure in Project Accounting to house grant data. The following diagram shows a basic grant activity structure.

Figure 1. Basic Grant Activity Structure



Activity Group

Activity Groups

Activity groups are required in Project Accounting. They determine the number of levels in the activity structure, the account categories that can be used with activities in the structure, and processing rules such as how budgets, dates, and accounts are validated when transactions are processed. Most reports and inquiries can be run by activity group. You may want to use activity groups to identify funding sources, internal departments, or Principal Investigators (PI).

Activity

Activities provide the framework for establishing grant budgets, collecting costs, processing billings, and recognizing revenue on grant contracts. There are three types of activities:

- Posting activities are the lowest level in the activity structure. Activity transactions must contain a posting activity and account category. Posting activities are usually grant years in an activity structure for grants.
- Summary activities are higher level in the activity structure. Budgets, costs, revenues, and units from the posting activities are rolled up into balances in summary activities.
- Contract activities are like summary activities, but they also provide a framework for storing contract and billing information. A grant generally equates to a contract activity in the structure.

Account Category Structure

Account categories provide a way to break down costs and revenues in activities. Every activity transaction must contain an account category. Actuals, commitments, and budgets are stored in activities by account category.

An account category structure is a hierarchical organization of all the account categories you use to track costs and revenues for an activity group. It contains summary account categories, such as Direct Costs or Labor, and detail account categories, such as Faculty Salaries or F&A Costs.

You can assign the same account category structure to more than one activity group. This is important If you intend to do consolidated reporting for multiple activity groups because it ensures the account category roll-ups are consistent. You can override account category parameters by posting activity, including making an account category inactive. For example, if you don't have a certain kind of labor, supplies, or subcontract on a grant, you can turn off the account category for that grant.

What Factors Impact Project Accounting Structures for Grant Management?

Each new Grant Management award requires its own activities in Lawson Project Accounting. Setup in Project Accounting is subjective and will vary from organization to organization. Before you define your activities in Project Accounting, you should consider your account category structure, carry forward provisions for the grant, whether the grant funds multiple projects (known as program project), and program income for the grant. The following topics include examples of possible activity structures.

Carry Forward

A carry forward provision allows unspent grant funding to roll over into the next funding year. An activity structure that allows carry forward will be different than an activity structure without carry forward.

Example: Carry Forward

A research organization receives a grant (#142234) from the National Institutes of Health for two years with total funding of two million dollars, which will be distributed in one million dollar increments at the start of each year of the award.

If the research organization only spends \$700,000 of the allotted one million dollars in the first award year, then the unspent \$300,000 is added to the one million dollars of funding for the second year.

Figure 2. Example Activity Structure for Multiple Years, With Carry Forward



Example: No Carry Forward

A research organization receives a grant (#142234) from the National Institutes of Health for two years with total funding of two million dollars, which will be distributed in one million dollar increments at the start of each year of the award.

The grant does not allow any unspent funds at the end of the first year to be carried forward or added to the second year. So if the research organization only spends \$700,000 of the allotted one million dollars in the first award year,

then the unspent \$300,000 is lost and not added to the one million dollars of funding for the second year.

Figure 3. Example Activity Structure for Multiple Years, No Carry Forward



One Grant Funds Multiple Projects (Program Project)

One grant can fund multiple projects of related research.

Example

The National Institutes of Health awards a grant (#625234) to an organization to fund two separate projects: a two-year project studying the effects on asthma symptoms, and a two-year project studying the effects on susceptibility to the flu.

The projects will share activities, such as administration, support staff, lab, and imaging.

Figure 4. Example Activity Structure for One Grant, Multiple Projects



Cost Sharing

NOTE To avoid summarizing cost share costs and funded costs in the contract activity, Lawson recommends that you do not set up cost share activities in the same structure as the grant activity. You can map cost share activities to funded activities for effort reporting, presentation on the Financial Status Report, and invoices. Cost sharing occurs when a portion of research costs is paid by the organization conducting the research. To track cost sharing, you can set up a replica of the grant activity structure. This enables you to track cost share amounts as they relate to each of the grant's funding years.

Example: Cost Sharing

A research organization receives a grant (#142234) from the National Science Foundation for two years with total funding of two million dollars, which will be distributed in one million dollar increments at the start of each year of the award.

The grant requires a one percent cost share.

Figure 5. Example Activity Structure for Cost Sharing



Program Income

Program income is outside income generated by grant-funded activities. Examples include income from fees for services performed (such as laboratory tests), income from the use or rental of property acquired under federally-funded projects, the sale of commodities or items fabricated under the grant, license fees and royalties on patents and copyrights, or interest on loans made with an award. Program income must be recognized, tracked, and treated according to the terms of the grant.

To track program income, you can define an activity structure similar to the cost sharing activity structure above. This is recommended if you need to present program income on grant invoices. As an alternative, you can track program income within the funded activity structure, depending if program income is additive or deductive and how you define budget checking rules.

What Other Project Accounting Setup Should I Consider for Grant Management?

As you define activity groups and activities for grants in Project Accounting, there is additional setup to consider.

Burdens and Allocations

You can use Project Accounting application's burden or allocation functionality for fringe and facilities and administration (F&A) costs on applicable grants. Burdens are recommended since they are automatically generated whenever you post transactions, giving you timely, accurate, and complete costs for reporting, billing, and revenue recognition. For more information, see "What Are Burdens?" on page 55. For more information, see "How Can I Handle Fringe Costs?" on page 26.

Award Budgets

Budget checking rules are established in activity groups and account category structures. You can enter budgets directly into Project Accounting, or import them. For more information, see "What Are Methods for Defining Budgets?" on page 67.

Attribute Matrix

Lawson provides many pre-defined activity attributes, including attributes specific to grants such as contract number, direct sponsor award number, and award close date. You can also create and populate your own user-defined attributes. You can use attributes to group activities into sets to use for selecting data for reports, inquiries, or processing. For example, you can create a list of activities based on the letter of credit attribute. You can then use that list in Accounts Receivable to apply cash by letter of credit.

For information about system-defined attributes and creating user-defined attributes, see the *Project Accounting User Guide*.

Fringe costs are employer-paid payroll expenses such as payroll taxes, health insurance, pension plans, and worker's compensation expenses. Fringe costs are best charged to grants one of two ways: You can automatically generate transactions for fringe costs when you post labor to grants (based on the current contractual fringe rate), or post actual employer-paid payroll expenses from payroll.

Charging Fringe Costs to Grants Using a Fringe Rate

You can use Project Accounting's burdens to generate fringe costs on eligible labor transactions. When labor transactions are posted to a grant, burdens automatically calculate fringe costs and create and post fringe transactions. With this approach, actual employer-paid payroll expenses are posted from the Lawson or non-Lawson payroll system to General Ledger.

However, to avoid overstating fringe costs in grants, the payroll expenses should not be updated to Project Accounting. If you use Lawson Payroll, you can avoid overstating fringe costs in grants by setting the Post Employer Paid Ded to AC field to No on Company (HR00.1), Payroll page. If you use a non-Lawson payroll system, you can avoid overstating employer-paid expenses in grants by importing employer-paid expense transaction in summary and not by employee.

You can also set up an offset General Ledger account for the burden code you use for fringe. An offset activity is optional. When fringe burdens are created, they are charged to the appropriate grant activities and general ledger accounts (departments), and credited to the offset general ledger account. The offset general ledger account ensures that fringe costs are not overstated in the General Ledger and provides visibility of actual employer-paid fringe costs (from payroll) for comparison with fringe calculated at the contractual grant rate from burdens.

How Are F&A Encumbrances Handled?

Fixed and administrative costs (F&A, also referred to as Indirect Costs) are overhead costs typically charged to grants at a negotiated, set rate. Commitments that originate anywhere within Lawson applications (including salary encumbrances, requisitions, purchase orders and accounts payable) may be eligible for F&A. The Project Accounting burden feature accommodates charging F&A costs to grants when activity transactions are posted, but there is no current capability to encumber F&A on commitments.

Instead, the Grant Management and Project Accounting applications provide you with the option to calculate encumbrances for F&A costs when you run Activity Commitment Summary Report (GM296) or Award Summary Report (GM400).

You can select the account categories eligible for FA encumbrance, specify an F&A rate, and determine the account category to which the F&A encumbrance should be charged. The F&A encumbrance is calculated on current commitments for the activities and eligible account categories selected for the report. These calculations are informational only and do not create actual records. They are used to provide a more complete picture of a grant activity's total commitments and remaining budget.

Procedures in this Chapter

Use the following procedures to set up account categories and activities for Grant Management.

- "Defining Account Categories" on page 28
- "Defining an Account Category Structure" on page 29
- "Defining an Activity Group" on page 31
- "Defining an Activity" on page 41
- "Overriding Account Category Assignments" on page 50

Defining Account Categories

TIP Consider using numeric account category names to make data entry more efficient. Account categories are required in activity transactions. Account categories break down costs and revenues in activities. After you define account categories, you can assign them to an account category structure, and to specific activity groups or activities. Use this procedure to define a library of all of the account categories you will use in Project Accounting.

Need More Details? Check out the following concepts:

- "Why is Activity Structure Important to Grant Management?" on page 20
- "What Factors Impact Project Accounting Structures for Grant Management?" on page 21

STEPS To define an account category

- 1. Access Account Categories (AC05.1).
- 2. On the Main form tab, define the account category. Consider the following fields.

Account Category	Type a name and description to identify the account category. Account category names can contain up to five alphanumeric characters.
Туре	Select Revenue, Cost, Accrual or Pass Thru to identify the type of transactions that will be collected in the account category. You cannot change the account category type after you have defined the account category.
	The Pass Thru type is used with the Lawson

Billing and Revenue Management application.

TIP Name the error suspense account category ERROR to help prevent users from unintentionally keying activity transactions to Error Suspense. 3. Define an Error Suspense account category on the Error Suspense form tab. Consider the following fields.

Acct Cat	Type the name of the error suspense account category. This account category is used during data entry when the activity group's GL Acct Assignment field is set to Yes-substitute error suspense. If you process transactions containing invalid combinations of General Ledger and Project Accounting information, the account category in the transaction will be changed to the Error Suspense account category.
	NOTE You must define an Error Suspense account category regardless of how the activity group's GL Acct Assignment option is set.
Description	Type a description for the error suspense account category.

Follow-up Tasks

Use Category Structure (AC08.1) to assign account categories to an account category structure.

Related Reports and Inquiries

То	Use
List account categories	Account Category Listing (AC205)

Defining an Account Category Structure

Use this procedure to define an account category structure.

STEPS To define an account category structure

- 1. Access Define Category Structure (AC08.2).
- 2. Enter a name in Category Structure and click Add.
- 3. Access Category Structure (AC08.1).
- 4. Use the Add function code to add summary account categories to the account category structure. Consider the following fields.

Category Type	Select the type of account category you are adding to the structure.
Summary Category	Enter or select the summary account category you are adding to the structure.

	Description	Enter a description for the summary account category.
	Depth	Enter the account category depth level for the summary account category. You can have only one depth 1 summary account category for each category type. Up to 9 depth levels of account categories are allowed.
	Budget Edit	Select the type of budget edit for the account category: no edit (N), detail level (D), or summary level (S).
		This field is valid only when the Level field on Activity Group (AC00.1), Budget page is set to Activity-Summary Acct Cat (4). For more information, see "What Are Budget Edits?" on page 69.
		NOTE The summary level account category budget edit is limited to one level up from the detail account category. It will edit no higher.
5.	Select Detail to acces detail account categor consider the following	sAccount Category Detail (AC08.3) and assign ies for a summary account category. On AC08.3, fields.
	Acct Cat (Account Category)	Type or choose the detail account category you are adding to the summary account category.
	St (Status)	Choose the status of the account category, Active (A) or Inactive (I).
	BI (Billable)	Choose Yes if the account category is billable. The default is No.
		NOTE If you want to bill and the account category is assigned to a grant activity, choose Yes in this field so you can bill on the costs you incur.
	Rev (Revenue)	Choose Yes if the account category is available for revenue recognition. The default is No.
		NOTE If you want to recognize revenue and the account category is assigned to a grant activity, choose Yes in this field so you can recognize revenue on the costs you incur.

NOTE Use the Mass Add feature to add multiple detail account categories to a summary account category on Account Category Load (AC08.5).

TM (Time or Materials)	Use this field only with the T&M billing method. Choose if the account category is Time (T) or Materials (M). For example, if account category is used to track only time transactions, select T. If the account category is used to track materials information, select M.
Cap (Capitalization)	Choose Yes if you want to capitalize costs collected in the account category. You must set this to Yes and assign asset parameters prior to running Asset Management Interface (AC160). The default is No.
Markup Percent	If the account category is billable, you may need to specify a billing markup percent.
	Add a markup percent to an account category. The actual costs posted to this account category plus the markup percent becomes the billable/revenue recognition amount. For example:
	\$60,000 (Actual Costs) + 15% (Markup) = \$69,000 (Billable Amount)

6. Assign the account category structure to one or more activity groups on Activity Group (AC00.1).

Related Reports and Inquiries

То	Use
List account category structures	Structure Listing (AC208)

Follow Up Tasks

- You can use the Move button to move detail account categories to another summary account category if needed. Use Move Detail Account Category (AC08.7) to select a new parent summary account category and effective date for the detail account category.
- 2. You can use the Attrib button to assign attribute values to account categories using Detail Account Category Attributes (AC16.2).
- 3. If you make any changes to the category structure, such as moving detail account categories, you must run Structure Reorganization (AC108).

Defining an Activity Group

An activity group is the highest organizational component in Project Accounting. The activity group establishes controls, edits, and structure rules for the activities associated with it. You can establish as many activity groups as you need to meet your business requirements. Use this procedure to define an activity group. **STOP** Before you define an activity group, consider the business requirements and plan the activity structure that best meets those needs. You should also set up a calendar before defining an activity group.

When you use Grant Management, all activity groups should share the same calendar and account category structure to enable consistent reporting across activity groups. When you set up your calendar for grants, consider making the calendar January to December. Because grant start and end dates are ragged, it is easier for most users to think in terms of the calendar year for inquiries and reporting.

STOP You should define your account category structures before creating an activity group. For more information, see "Defining an Account Category Structure" on page 29.

Need More Details? Check out the following concepts:

- "Why is Activity Structure Important to Grant Management?" on page 20
- "What Factors Impact Project Accounting Structures for Grant Management?" on page 21

STEPS To define an activity group

- 1. Access Activity Group (AC00.1).
- 2. Type a name and description for the activity group.
- 3. On the Main page, define the information about the activity group. Consider the following fields.
 - Category
StructureIdentify the account category structure for the
activity group. The account category structure
determines which account categories are
available for the activity group.For consistent reporting, use the same account
category structure whenever possible.NOTE You can set up specific posting
activity/account category assignments on

Override Account Categories (AC06.1) if necessary. Any relationships set up on AC06.1 override the parameters of the account category structure you choose here.

Base Currency	Identify the operating currency for the activity group. This is the currency used for reporting and inquiries at the activity group level. The activity group base currency determines the currency you must assign to summary level activities within the activity group.
Calendar	Select the calendar you want to assign to the activity group.
	TIP For consistent inquiries and reporting, use the same calendar for all activity groups. For ease of use, you may want to use a January to December calendar instead of a fiscal calendar.
Date Range	Enter dates that identify the valid time period (dates of operation) for the activity group. You can use any dates you want, as long as they are supported by the years and periods in the calendar you assign to the activity group.
	Select POP to set up period of performance dates outside of the valid date range.
Security	Enable security for the activity group by entering a 4-digit number.
	Activities act as process levels in Lawson security. To set security on specific activities within the group, name the activities carefully and set security on a range of activities. For more information on security, see your Lawson security administrator.
	NOTE (LAUA users only) Because of its close integration with Project Accounting and Human Resources, Grant Management uses both activity/activity group security and Human Resources company/process level security. Anything driven by activities (for example, the grants setup) will use the Activity security; anything driven by employee (for example, Labor Distribution and Effort Reporting) will use the HR security. To take advantage of both, use a non-HR company here for the Project Accounting security company. Also, the two security setup structures (AC driven and HR driven) need to coexist in the same LAUA setup under system code GM.

Status	Select the activity group status. The default status is Open. If you are using activities as a subset of General Ledger, this must be GL Only.
Output Measure	Optional. Type a numeric activity group output measure and a description. The output measure is used on Activity Group Output Measure Analysis (AC93 and AC493) to calculate a per unit cost for the activity group. For example, if the activity group is for construction of a new store, you might use the store's number of square feet as the output measure to get a cost per square foot.
Invoice Audit	Select Yes (Y) or No (N) to indicate whether you want to keep an audit trail of invoice changes. The default is No. You do not have to select Yes to edit invoice amounts.
Change Order Audit	Indicate whether to keep an audit trail of budget change orders. The default is No. You do not have to set this to Yes to use change orders.
On the Process page, determine how amoun validations will be perf the activity group. Con Balances	define activity group process parameters to its in activities will be summarized, and how various formed for data entered in activities associated with nsider the following fields.
Summary Activity	Select Yes to consolidate activity amounts in summary level activities and at the activity group level. It is recommended that you accept the default, which is Yes. To preserve data integrity, you cannot change this parameter from No to Yes.
Summary Acct Cat	Select Yes to consolidate activity amounts in the lowest level summary account categories (not all levels). It is recommended that you accept the default, which is Yes.
Accounting Unit	Select Yes to maintain balances in activities by account category, company, and accounting unit. This lets you acquire company and accounting unit balances without building them into your activity structure.
	If you set this option to Yes, you will need to run Accounting Unit Balance Post (AC191) after you post transactions using Activity Posting (AC190).

4.

Billing LTD	Select Yes (Y) or No (N) to indicate whether you need to store billing LTD contract balances.
	If you select Yes, this information can be included on customer invoices.
Resource	Select Yes to maintain resource balances in activities. If you selected Yes in the Acct Unit Balances field, balances are maintained by activity, account category, company, accounting unit, and resource. If you selected No in the Acct Unit Balances field, balances are maintained by activity, account category, and resource.
	To preserve data integrity, you cannot change this parameter from No to Yes.
	If you set this option to Yes, you will need to run Accounting Unit Balance Post (AC191) after you post transactions using Activity Posting (AC190), or you will need to run Activity Posting (AC190) with the Post Acct Unit Balances field set to Yes.
Validation	
Employee	If you use the Lawson Human Resources application, this field determines how employees used in transactions are validated during data entry.
	If you choose Yes, you must assign employee resources to activities in order to enter transactions containing an employee and an activity. You define resources on HR Employee Assignment (AC03.3).

Date	 Transactions posted to activities must fall within a date range assigned to the activity. Indicate whether you want the system to use the posting date or transaction date in the transaction record when the validation is performed. For example, you might incur time on an activity on June 7 (transaction date), but the time falls within the pay period ending June 15 (posting date). Select Posting Date (P) to use the posting date for the transaction. If the posting date is before the activity begin date or later than the activity's end date, the transaction is not permitted. Select Transaction Date (T) to use the date when the transaction was incurred. If the transaction is not permitted. NOTE If you are using period of performance
	dates, the transaction or post date is compared against the POP dates for a system code, rather than the activity dates.
Resource	Indicate whether you want to validate AC person and equipment resources in transactions.
Bill Rate Calc	Select Posting (P) or Transaction (T) date to determine which date to use to calculate billing when you run Activity Posting (AC190).
	The date type you choose determines which date on the ACTRANS record is used to compare against the effective date on resource rates, assigned resource rates, or billing category rates for the T&M billing method.
Vendor	This determines how Lawson Accounts Payable vendors used in transactions are validated during data entry.
	 Select Yes (Y), and vendor resources must be assigned to activities.
	If you set this parameter to Yes, you must assign vendor resources to activities on Vendor Assignment (AC03.4) in order to enter transactions containing a vendor and an activity (including requisitions and purchase orders).
	have to be assigned to activities.
Burden Date	Select whether to use the activity posting date (P) or transaction date (T) to find the burden rate when burden transactions are created.
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Asset	** If you use the Lawson Asset Management application and plan to capitalize activities, this field determines whether users are required to enter an asset Location and Division on the Defaults tab in Activity (AC10). When the location and division are known at the time the activity is created, set this option to Yes.
POP Date	Choose Yes to allow the application to search for period of performance dates for the activity group.
	If this field is Yes, and a system code has period of performance dates, then the period of performance dates are used for the date edit.
GL Acct Assignment	Select the level of GL account validation for the activity group. The following options are available.
	GL Only Activity Group
	• No
	 Yes-Substitute error suspense when assignment is not valid on Account Assignment (AC07.1)
	 Yes-Require valid assignment on Account Assignment (AC07.1)
Other	
Calculate Burdens	Select Yes (Y) to process burdens for activities in the activity group.
	Burdens are transactions generated automatically during Activity Posting (AC190) to track additional costs associated with activities.
	For more information, see "Defining Burdens for Grant Activities" on page 53.
PR Commitment	Select Yes (Y) to create Payroll commitments.

5. On the Budget page, define budget edit parameters to prevent entry of activity-related transactions in other Lawson applications when the budget is exceeded.

Consider the following fields.

Budget Checking	 Select one of the following options to determine the budget time frame to use for budget edits: Use Period Edit to perform the edit using the active period-to-date budget. Use Annual Edit to perform the edit using the active year-to-date budget. Use Total Edit to perform the edit using the active life-to-date budget. Use No Edit (the default) if you do not wish to enable budget edits.
	If budget amounts are validated, the system validates whether actuals plus commitments are less than or equal to the budget plus the budget tolerance. The edits are performed in the applications you select on System Codes (GL01.4).
	NOTE Period Edit and Annual Edit options are not valid with a Life Only budget.
Level	 Choose one of the following options to determine the budget level to use for budget edits: Use Activity-Acct Cat (1) to perform the edit using the budget for the activity and account category specified in the transaction. Use Activity Group (2) to perform the edit using the activity group budget. The system uses the budget for the activity group associated with the activity in the transaction. Use Activity (3) to perform the edit using the total budgets for all account categories in the activity specified in the transaction. Use Activity—Summary Account Cat (4) to perform the edit using the dit using the budget for the summary account category in the activity specified in the transaction.
Tolerance	Type a value to indicate the percentage by which the budget can be exceeded. For example, to allow budgets to be exceeded by 5 percent, enter 5.00.

	Estimated Maximum	Type a value to indicate the budget maximum for the activity group. This is informational only, and produces a warning message during activity budget entry when the total activity budgets exceed the maximum.
6.	(Conditional) If you us time and expense ent group time and expense time and expen	e Databasics TimeSite or ExpenseSite web-based ry systems with Project Accounting, define activity se parameters on the Time, Expense page.
7.	On the Levels page, or structuring activities.	lefine activity group levels to identify the rules for Consider the following fields.
	Name	Type a description of the activity levels you want in the activity group. Examples of levels are project, phase, task, contract, and so on. You can define up to five levels of activities.
	Size	Type the size of each level, which determines the maximum number of activities you can define at that level.
		NOTE You can change a level's description at a later date, but you cannot change a level's size. Be sure to allow enough room for all the activities you need at a given level.
8.	On the Currency page Consider the following	e, define activity group currency parameters. g fields.
	Currency Table	Select a currency table. The currency table stores currency relationships and exchange rates that will be used to convert transaction amounts to the activity group currency, the activity group's report

currencies, and the posting activity currency.

Report Currency	Type up to two currency names and associate each with a currency code from the Lawson Currency application. You can inquire and report on activity amounts using the base currency or report currencies.
	TIP The report currencies you choose in the activity group determine the report currencies you can have in activities. You cannot specify a different report currency in activities.
	NOTE If you are using Billing and Revenue Management, Lawson recommends you assign one of your reporting currencies or base currency to match the Invoice Currency on Contract Parameters (BR10.1). This lets you see balance amounts, such as cost and revenue, in the contract currency.
(Optional) If you wan made to specific activ parameters on the Hi	t to keep an audit trail of changes or deletions vity-related parameters, define activity group history istory page. Consider the following fields.
Activity	This field determines if changes made to activities

- are tracked. The default is No. You can view changes by running Activity Listing (AC210) or Activity Group Listing (AC200). Asset This field determines if changes made to activity assets are tracked. The default is No. Resource This field determines if changes made to resource assignments are tracked. The default is No. Assignment Attribute This field determines if changes made to activity attributes are tracked. The default is No. Billing This field determines if billing changes are tracked. The default is No. Contract Select Yes if you want the application to maintain an audit trail of changes to contract information. Ceiling This field determines if changes made to ceiling amounts are tracked. The default is No.
- **NOTE** You purge history details when you run Activity Group Purge (AC300) for the activity group.

Related Reports and Inquiries

То

Use

List activity group parameters

Activity Group Listing (AC200)

Defining an Activity

NOTE You can copy existing activities or import activities from a non-Lawson source. See the Project Accounting User Guide.

An activity is a phase, task, operation or other component within an activity group. Activities provide a framework for establishing and collecting budgets, costs, revenues and statistical information. You can structure activities to meet your specific information and reporting needs.

STOP Before you define an activity, define an activity group and activity status codes.

Need More Details? Check out the following concepts:

- "Why is Activity Structure Important to Grant Management?" on page 20
- "What Factors Impact Project Accounting Structures for Grant • Management?" on page 21

STEPS To define an activity

- 1. Access Activity (AC10.1).
- In the Activity field, type a unique name for the activity and an activity description.
- 3. Define information about the activity on the Main page. Consider the following fields.

Activity Group	Select the activity group to which the activity belongs.
Currency	Select a currency code to identify the activity's base currency. For posting activities, you may use any currency code. For summary activities and contract activities, the currency code must match the base currency code assigned to the activity group. The activity group's base currency defaults.

Expense Account	Select the General Ledger company, accounting unit to default in transactions for this activity. As an option, you can also select the account and subaccount.
	NOTE These defaults are used for transactions that originate in Project Accounting, or in transactions that are interfaced from non-Lawson systems. The defaults are not used for activity-related transactions that originate in other Lawson applications.
Status	Select the status code for the activity. Use Status (AC02.1) to define a new status code, if necessary.
Account Category	Optional. Select a default account category to use in transactions that originate in Project Accounting, or in transactions that are interfaced from non-Lawson systems. Account categories are defined using Account Category (AC05.1).
Date Range	Type the activity's start and end dates. The date range entered here must fall within the activity group's date range.
	NOTE This date range controls the dates you can use when creating activity budgets and activity transactions. The dates for activity budgets must fall within the specified date range. When you post transactions to activities, the transaction's posting or transaction date must fall within the date range, depending on how the Date Edit option is set on Activity Group (AC00.1).
	TIP You can override this date range by system code on Period of Performance (AC10.6).
Billable, Contract	Select Y (Yes) to indicate the activity is billable. You can recognize revenue against a billable or contract activity only.
Invoice Group	Optional. Choose an invoice group. Invoice groups are defined on Invoice Groups (BR06.1). Use invoice groups to create and print one invoice for each contract within an invoice group or create and print one invoice across contracts for a single customer.

Output Measure	Optional. Type a numeric activity output measure and description. The output measure is used on Output Measure Analysis (AC93 and AC493) to calculate per unit costs and revenues for the activity. For example, if you want to measure activity costs by a specific number of full time equivalents (employees), enter the number of FTEs in the output measure and use FTE as the description.
User Analysis	*Optional. Select default user analysis values to use in activity transactions that originate in Project Accounting. You can type the values or use the Define (F6) feature to open the User Analysis Entry subform. For more information, see the <i>Strategic Ledger User Guide</i> .
Long Description	Optional. Type a longer description for the activity. If you leave this field blank, the short activity description defaults.
Define an activity leve following fields.	el address on the Levels page. Consider the
Level Type	Select whether the activity is a summary (S), posting (P), or contract (C) activity.
Effective Date	When you are defining a new activity, leave this field blank. If you are reorganizing your activity structure, enter the date the new level address will be effective.
	See the <i>Project Accounting User Guide</i> for details.
Level Address	Type the level addresses for the activity. The level address identifies the activity's location in the activity group, and is used for consolidating and rolling information up the activity structure.
	NOTE You must establish highest level summary or contract activities first, then lower level summary activities or contracts, then posting activities last.

New Level Address	When you are defining a new activity, leave this field blank. To move an activity to a new location in the activity group structure, type the activity's new level address.
	See the <i>Project Accounting User Guide</i> for details.
If you use Lawson Grant Management, use the Award page to set up award information for the grant activity. Consider the following fields.	
Award	Select Yes (Y) for any activity that is an award or award-related. Select Yes for posting activities that exist below an award activity in the activity structure.
	This field is used by Grant Management setup programs and Accounts Payable and Procurement routines to identify a grant activity versus a non-grant activity.
Sponsored Effort	Select Yes (Y) if the activity should be included on the Certified Effort report in the sponsored award section. If the activity is cost share or non-sponsored, select No (N).
	NOTE Cost share activities will be included in the Certified Effort report if they are defined as cost share activities on Cost Share (GM01.2).
Salary Cap	Select Yes if the activity is subject to a salary cap and the activity is a posting activity. Sponsored and cost share activities may be subject to salary cap.
	Select No for summary or contract activities, even if they are award activities. Also select No for any posting activity to which earnings in excess of the salary cap will be charged.

Salary Cap Schedule	If the activity is subject to salary cap, select the applicable salary cap schedule.
	Only posting activities can be associated with a salary cap schedule. Salary cap schedules are used in labor distribution templates to automatically cap salary distribution percentages when an activity is subject to salary cap.
	If an employee's salary exceeds the salary cap, the percentage charged to the activity is reduced and a new distribution line for the overage is created automatically.
	Salary cap schedules are also used to produce the Salary Cap Alert Report (GM412). Salary cap schedules are defined using Salary Cap Schedule (GM05.1).
Use Current Cap	Salary cap schedules store annual salary cap amounts for multiple effective dates. Use this field to indicate which salary cap amount is used to determine whether an employee's salary exceeds cap.
	Select N or blank (the default) to use the salary cap amount in effect on the activity's start date.
	Select Y to use the newest, active salary cap amount in the salary cap schedule.

Overage Activity, Account Category	When salary cap rules are applied in a labor distribution template, the system reduces the salary percentage in the distribution line for the activity subject to salary cap and creates a new template line containing the GL account and activity to which the excess salary, or overage, should be charged.
	You can select an activity to which overage will be charged on the labor distribution template. If you leave this field blank, salary cap overages are not charged to any activity or account category.
	IMPORTANT You cannot choose a mandatory or committed cost share activity as an overage activity.
	If an overage activity is selected, you can select an overage account category to which excess salary will be charged on the labor distribution template.
	If you leave the account category field blank, the overage distribution will use the overage activity, but the account category will come from the labor distribution line that initiated the overage.
Overage GL Account	When salary cap rules are applied in a labor distribution template, the system reduces the salary percentage in the distribution line for the activity subject to salary cap and creates a new template line containing the GL account and activity to which the excess salary, or overage, should be charged.
	You can select a GL company, accounting unit, account or subaccount to which overage will be charged on the labor distribution template. If you leave this field blank, the overage is charged to the GL company in the labor distribution template line from which the overage is initiated.

Overage User Analysis	When salary cap rules are applied in a labor distribution template, the system reduces the salary percentage in the distribution line for the activity subject to salary cap and creates a new template line containing the GL account and activity to which the excess salary, or overage, should be charged. If your organization uses Strategic Ledger, the system can also charge the overage to a user analysis.
	You can select a Strategic Ledger user analysis to which overage will be charged on the labor distribution template.
	If you leave this field blank, the overage is charged to the user analysis (if any) on the labor distribution template line from which the overage is initiated.
Encumbrance Fringe Rate	Type the encumbrance fringe rate for the activity. Grant Management defaults this rate onto labor distribution lines to be used to calculate a commitment for this fringe percentage.
	NOTE The encumbrance fringe rate can also come from a rate assigned to employees on Employee (HR11.1).
Fringe Encumbrance Acct Cat	Select or type the account category for fringe. Grant Management defaults this account category onto labor distribution lines for the fringe commitment records.
	NOTE The fringe encumbrance account category can also come from an account category assigned to employees on Employee (HR11.1).

Fringe Encumbrance Account	Choose or type the account for fringe. Grant Management defaults this account onto labor distribution lines for fringe commitment records.
	NOTE The fringe encumbrance account can also come from an account assigned to employees on Employee (HR11.1).
If the Asset field on the to Yes, you must iden page. If the Asset fiel following fields.	ne Process page on Activity Group (AC00.1) is set tify the asset location and division on the Defaults Id is No, asset defaults are optional. Consider the

Location	Select an asset location. This location will default when you create asset information on Activity Asset (AC10.3).
	Locations are established in Asset Management on Location (AM07).
Division	Select an asset division. This division will default when you create asset information on Activity Asset (AC10.3).
	Divisions are established in Asset Management on Division (AM08).

7. (Optional) Use the Budget Overrides page to override activity group budget edit values at the activity level. Budget edits prevent entry of activity-related transactions in other Lawson applications when the budget is exceeded.

IMPORTANT Only posting activities can have budget edits defined at the activity level, and only if the activity group budget level on Activity Group (AC00.1) *is not* set to Activity Group (2).

See the *Project Accounting User Guide* for detailed procedures.

Consider the following fields.

Budget Checking	 The activity group budget checking value displays. You can override it with one of the following values. Use Period Edit to perform the edit using the active period-to-date budget. Use Annual Edit to perform the edit using the active year-to-date budget. Use Total Edit to perform the edit using the active life-to-date budget. Use No Edit (the default) if you do not wish to enable budget edits. If budget amounts are validated, the system validates whether actuals plus commitments are less than or equal to the budget plus the budget tolerance. The edits are performed in the applications you select on System Codes (GL01.4).
	NOTE Period Edit and Annual Edit options are not valid with a Life Only budget.
Level	 The activity group edit level displays. You can override it with one of the following values. Use Activity-Acct Cat (1) to perform the edit using the budget for the activity and account category specified in the transaction. Use Activity (3) to perform the edit using the total budgets for all account categories in the activity specified in the transaction. Use Activity—Summary Account Cat (4) to perform the edit using the budget for the summary account category in the activity specified in the transaction. Details on budget edits are found elsewhere in this user guide. For more information, see "What Are Budget Edits?" on page 69. IMPORTANT You cannot define budget edits for this activity if the default budget edit level that displays (derived from the activity group) is 2 Activity Group.

Tolerance	Type a value to indicate the percentage by which the budget can be exceeded. For example, to allow budgets to be exceeded by 5 percent, enter 5.00.
Estimated Maximum	Type a value to indicate the budget maximum for the activity. This is informational only, and produces a warning message during activity budget entry when the total activity budget exceeds the maximum.
	IMPORTANT You can enter an estimated value for contract and summary activities also, but only posting activities can be subject to activity budget editing.

Follow-up Tasks

- Choose Contract to set up contract parameters for a contract activity. For more information, see "Defining Contract Parameters" on page 94.
- Optional. Choose Resource to assign resources to the activity. For more information, see "Defining Award Personnel" on page 123.
- Click Attributes to assign attributes to the activity. For more information, see the *Project Accounting User Guide*.
- Click Bill to define the activity billing parameters. For more information, see the *Billing and Revenue Management User Guide*.
- Click Award to define your award information. For more information, see "Setting Up an Award" on page 119.

Related Reports and Inquiries

То	Use
List activity parameters	Activity Listing (AC210)

Overriding Account Category Assignments

When you create an activity group, you must assign an account category structure to it. However, if you need to override the parameters set in the category structure/activity group assignment, you can assign account

category characteristics to individual posting activities. Use this procedure to make those assignments.

STEPS To assign override account categories

- 1. Access Override Account Categories (AC06.1).
- 2. Select the posting activity for which you are modifying account category information.
- 3. Click Inquire to list the current account category information for the activity.
- 4. If you want to override the information for an account category for this activity, use the "A" (Add) Function Code for the specific account category line. Then update the following fields as needed.

St (Status)	Choose the status of the account category, Active (A) or Inactive (I).
BI (Billable)	Choose Yes if the account category is billable. The default is No.
	NOTE If you want to bill and the account category is assigned to a grant activity, choose Yes in this field so you can bill on the costs you incur.
Rev (Revenue)	Choose Yes if the account category is available for revenue recognition. The default is No.
	NOTE If you want to recognize revenue and the account category is assigned to a grant activity, choose Yes in this field so you can recognize revenue on the costs you incur.
TM (Time or Materials)	Use this field only with the T&M billing method. Choose if the account category is Time (T) or Materials (M). For example, if account category is used to track only time transactions, select T. If the account category is used to track materials information, select M.
Cap (Capitalization)	Choose Yes if the you want to capitalize costs collected in the account category. You must set this to Yes and assign asset parameters prior to running Asset Management Interface (AC160). The default is No.

NOTE A "Y" in the Ovrd Exists field indicates that override information already exists for this account category/ activity combination.

Markup Percent	If the account category is billable, you may need to specify a billing markup percent.
	Add a markup percent to an account category. The actual costs posted to this account category plus the markup percent becomes the billable/revenue recognition amount. For example:
	\$60,000 (Actual Costs) + 15% (Markup) = \$69,000 (Billable Amount)
Asset	Opens a subform where you identify capitalization parameters for the account category. This allows you to create assets in Lawson Asset Management application from costs collected in the account category.

5. Click Change to update the account category information.

Using Mass Add/Change

Use Override Mass Add/ChangeOverride Mass Add/Change (AC06.2) to add or modify account category information for multiple account categories at one time. Click Mass Add/Change to access the Override Mass Add/ChangeOverride Mass Add/Change (AC06.2) form. On this form, you can create new override records, or modify existing override records.

Related Reports and Inquiries

То	Use
List account category assignments	Acct Cat Assignment Listing (AC206)

Defining Burdens for Grant Activities

Grant Management uses activities as its base. You can use Project Accounting's burdens functionality to generate fringe or facilities and administration (F&A) costs.

This chapter explains the basics of burdens in Lawson Project Accounting. For more information about burdens, see *Project Accounting User Guide*.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 58.

The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Are Burdens?" on page 55
- "What Is a Burden Code?" on page 56

What Are Burdens?

Burdens are transactions that are created automatically to capture overhead, fringe benefits or other indirect costs associated with cost transactions you post in Project Accounting. Burdens provide a more accurate reflection of actual business costs for a given activity.

Burdens are calculated during Activity Posting (AC190). When you run Activity Posting (AC190), the system determines which transactions in the batch are eligible for burdens. Burdens are calculated according to burden parameters you define, and a new burden transaction is created for each eligible cost transaction. The following illustration shows how burdens are calculated during activity posting using source transactions and burden setup parameters.

Figure 6. Illustration: Burden calculation



Transaction

Transaction Burden

Transaction

Transaction

Burden Transaction Transaction Transaction

Transaction

Transaction

Burden

Once a transaction is identified as being subject to burden processing, the system looks for the specific burden code that has been assigned to the activity and account category in the transaction. A burden code identifies the specific burden cost you want to calculate, such as General and Administrative Overhead, Fringe Benefits and so on. You can calculate multiple burdens from a single source transaction. If you do calculate multiple burdens, you can define steps to include burden transactions in subsequent burden calculations.

Burden Code Assignment

Burden assignments identify the valid burden codes for a given activity group, posting activity or account category, and are defined on Burden Assignment (AC61). If no burden code is assigned to the activity group or activity in the transaction, it is not eligible for burden calculation. If one or more burden codes are found, the transaction is eligible for burden calculation.

When you assign burden codes, you indicate the specific set of criteria you want to associate with a burden code. These criteria are identified by a pool number and are referred to as the pool driver values.

What is a Driver Type?

As part of defining a burden code, you select the driver type for the burden code. The driver type identifies the components in the source transaction on which the burden calculation will be based. The following table shows driver type options and how they affect transaction eligibility.

For Driver Type	Transaction eligibility is based on
Work company and accounting unit	The company and accounting unit in the source transaction
Employee company and accounting unit	The company and accounting unit associated with the employee in the source transaction (defined in the employee record in Lawson Human Resources)
Activity company and accounting unit	The company and accounting unit associated with the activity in the source transaction (defined in Activity (AC10))
Activity	The activity in the source transaction
Account category	The account category in the source transaction
Employee	The employee in the source transaction
Salary class	The salary class associated with the employee in the source transaction (defined in the employee record in Lawson Human Resources)
Job Code	The job code in the source transaction (job code must be established as a transaction attribute)

Procedures in this Chapter

Use the following procedures to set up burdens for Grant Management in Project Accounting.

- "Defining a Burden Code" on page 58
- "Defining a Burden Rate" on page 61
- "Assigning Burden Codes" on page 62

Defining a Burden Code

A burden code identifies the burden costs you want to calculate, such as various types of General and Administrative Overhead, Fringe Benefits, and so on. You can calculate multiple burdens from a single source transaction, and you can set up as many burden codes as you need. Use this procedure to define a burden code.

Need More Details? Check out the following concepts:

- "What Are Burdens?" on page 55
- "What Is a Burden Code?" on page 56

STEPS To define a burden code

- 1. Access Burden Codes (AC60.1).
- 2. Define each burden code you need. Consider the following fields.

Burden Code	Type a name (up to five characters long) for the burden code.
Description	Type a description for the burden code.

Post to Acct Cat	Select the account category to which you want to post burden transactions created for the burden code. The activity in each burden transaction comes from the source transaction used to calculate the burden.
	TIP Use one or more separate burden

TIP Use one or more separate burden account categories to help make analysis and reconciliation easier.

3. Optional. Identify step parameters to determine the order in which burdens are calculated. Consider the following fields.

Step	Type a step number to let burden transactions be potential source transactions for subsequent burden calculations during Activity Posting (AC190). For example, burdens calculated for Step 1 burden codes can be potential source transactions for burden codes that are assigned Step 2. Burdens calculated for Step 1 and Step 2 burden codes can be potential source transactions for Step 3 burden codes, and so on. You can assign the same step to multiple burden codes.	
	If you leave the step field blank, burden transactions created for the burden code are not eligible for subsequent burden calculations.	
	NOTE If you do not want to calculate burden on burdens, do not assign steps to any burden codes.	
Step Var	This field lets you apply burden calculation deviations. The default is blank, which provides no deviations from the burden step calculation order. You can also select:	
	 Stand Alone to prevent the burden code from being considered in subsequent burden calculations. 	
	 Applies Only To Burden to identify specific burdens as the exclusive source transactions for the burden code. This excludes original cost transactions, as well as any burdens for codes other than the one you specify, from the potential source transactions. If you select this option, complete the Burden Code field. 	

Burden Code If you selected Applies only to Burden in the Step Var field, select a burden code to identify burdens that are potential source transactions for the burden code.

NOTE Driver types involving the employeerelated information presume an employee will be present in the transaction. If the transaction does not contain an employee, it will not be eligible for burden. 4. Select a driver type in the Driver Type field to identify the transaction components that make a transaction eligible for burden calculation. Driver types also determine how you define burden pools and burden rates.

For Driver Type	Transaction eligibility is based on
Work company and accounting unit	The company and accounting unit in the source transaction.
Employee company and accounting unit	The default company and accounting unit for the employee in the source transaction. The employee's default company and accounting unit are defined on Employee (HR11.1).
Activity company and accounting unit	The default company and accounting unit for the activity in the source transaction. The activity's default company and accounting unit are defined on Activity (AC10).
Activity	The activity in the source transaction.
Account category	The account category in the source transaction.
Employee	The employee in the source transaction.
Salary class	The salary class associated with the employee in the transaction. The salary class for an employee is defined on Employee (HR11.1).
Job Code	The job code in the source transaction. The job code must be established as an activity transaction attribute.

NOTE General Ledger postings for off-set burden transactions are summarized. If you want to create off-set burden transactions in Project Accounting or General Ledger, choose the More button to access Additional Information (AC60.2). Use this subform to define information for off-set burden transactions. Consider the following fields.

GL Information	To create General Ledger burden transactions using the company and accounting unit in the source transactions, select an account and subaccount.
	To create General Ledger burden transactions using a different company and accounting unit than the activity burden transactions, select a GL Code that identifies the company, accounting unit, account, and subaccount.
Activity Off-Set	To create a balanced entry for burdens in Project Accounting, select the activity and account category you want in the off-set (contra) burden transactions.
GL Off-Set Information	To create General Ledger burden off-set transactions using the company and accounting unit in the source transactions, select an account and subaccount.
	To create General Ledger burden off-set transactions using a different company and accounting unit than the activity burden transactions, select a GL Code that identifies the company, accounting unit, account, and subaccount.

Related Reports and Inquiries

То	Use
List burden codes	Burden Code Listing (AC260)

Defining a Burden Rate

Burden pool rates are percentages you identify for a given burden code and burden pool. During burden calculation, the amount in the source transaction is multiplied by this percentage to determine the amount of the burden transaction. Use this procedure to assign burden rates to burden pools. **STOP** Define burden codes, burden pools, and burden types before you define burden rates.

STEPS To assign a burden rate

- 1. Access Burden Pool Rate (AC63.1).
- 2. Select the burden code and pool number combination for which you want to define rates.
- 3. In the Type field, select the burden type for which you want to define rates: Cost, Revenue, or a user-defined type.

4. Define burden rates for the burden code and pool. You can have multiple rates with different effective dates. Consider the following fields.

Effective Date	Type the date the burden rate is effective. During Activity Posting (AC190), this rate is applied to eligible transactions with transaction dates or post dates on or after the effective date (but before subsequent effective dates).
	Transaction dates or post dates is determined by the Date field on Activity Group (AC00.1).
Entered Date	Type the date the burden rate was entered.
Rate	Type the burden rate. For 7.5%, enter 7.50.
Status	Select the burden status. Active defaults.

Related Reports and Inquiries

То	Use
List provisional rates defined on Burden Pool Rates (AC63.1)	Provisional Rate Listing (AC263)

Assigning Burden Codes

Use this procedure to assign burden codes and pools to activities and account categories. When you run Activity Posting (AC190), burden calculations are triggered by the burden codes and pools assigned to the activity and account category in the transactions that are being posted.

STOP Before you assign burden codes, complete activity and account category set up tasks, and define burden codes and pools.

NOTE Define billing burden rates using Pool Burden Rates (BR04.1). **Q** Need More Details? Check out the following concepts:

• "What Is a Burden Code?" on page 56

STEPS To assign burden codes

- 1. Access Burden Code Assignment (AC61.1).
- 2. Select the account category to which you are assigning burden codes. Consider the following fields.

Activity Group or Posting Activity	Select the activity group or activity to which you want to assign burden codes.	
Account Category	Select the account category to which you want to assign burden codes.	

3. Assign burden codes and pools. You can assign multiple burden code and pool combinations. Consider the following fields.

Burden Code	Select the burden code you want to trigger for transactions containing the activity and account category you selected in the header of this form.
Pool Number	Select the pool number that represents the burden pool driver values and rates you want to apply during burden calculations.

Related Reports and Inquiries

То	Use
List burden assignments	Burden Assignment Listing (AC261)

Defining Budgets for Grant Activities

Grant Management uses activities as its base. You set up activity budgets and system-wide budget checking rules in Project Accounting.

This chapter explains the basics of budgets and budget edits in Lawson Project Accounting. For more information about budgets, see *Project Accounting User Guide*.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 72. The following concepts provide background and conceptual information for the procedures within this chapter.

• "What Is a Budget?" on page 66

What Is a Budget?

You define budgets to indicate how much money is available for a particular purpose. In Project Accounting you can budget at two levels: activity group and activity/account category. By associating a budget with activity groups or activities/account categories, you can monitor the use of resources and expenditures to ensure that you don't exceed what you have planned for.

Activity Group Budgets Versus Activity Budgets

You can define and use activity group budgets, activity budgets, or a combination of both:

- An **activity group budget** consists of the planned costs for an activity group and defines the total projected amounts and units for *all activities that belong to the activity group*. Analysis by activity group budget is limited; you can explore information using Budget Listing (AC220) and Budget Variance Report (AC420). You cannot explore activity group budget information in the AC90 series inquiries or on analysis reports for activities, commitments, or encumbrances.
- An activity budget consists of the planned costs for a single activity and account category and defines the projected amounts and units for a posting level activity and one or more of its account categories. The budget values from posting level activities are rolled up to create totals in summary level activities.

Activity group budgets and activity budgets are created and maintained separately from each other. Changes to an activity group budget are not reflected in activity budgets, and vice versa.

Budget Time Frames

You can define activity group and activity/account category budgets in three base time frames: life only, annual and period.

Life only budgets store the total amounts or units projected for the duration of an activity group or activity. If you choose life-only for an activity group or activity budget, you cannot define annual or period budgets. With life-only budgets, you always report on life-to-date budget to actual variances. **NOTE** You can define annual budgets for multiple years. Budget years and periods are determined by the calendar associated with the activity group.

Period and annual budgets store projected amounts and units by period and year for an activity group or activity. Annual and period budgets are automatically kept in balance. Changes you make to period budgets are updated to annual budgets, and changes you make to annual budgets are updated to period budgets. With annual and period budgets, you can report on period-to-date, year-to-date or life-to-date budget to actual variances.

Several options are available to you when defining budgets. You can define activity group or activity budgets using any of the options.

For Activity Group, you can define budgets		For Activity, you can define budgets	
•	For the entire duration of the activity group	•	For the entire duration of the activity/account category
•	By year for an entire activity group	•	By year for an activity/account category
•	By period for an entire activity group	•	By period for an activity/account category
		•	For multiple account categories associated with an activity for any time frame
		•	For multiple activities associated with an account category for any time frame

What Are Methods for Defining Budgets?

Several methods are available for defining budgets. The method you select will depend on the number of budgets you want to define and how unique or similar the budgets are from each other. The following table describes the available methods.

Entering budgets manually

You can define individual budgets, typing in the budget amounts or typing in units and a rate. If you use units and rates, budget amounts are calculated automatically as Rate * Units. For example, if the budget is for labor costs, you can enter the standard labor rate per hour and the number of hours as the budget units.

You can assign a name and description to a rate, making it easier for users to select an appropriate rate. This is called a factor.

Duplicating or copying values in budget entry	As a time saving alternative to typing budget values in each accounting period, you can duplicate or copy existing data.
	You can enter amounts in specific periods, then duplicate the amounts up to the next period that contains a value. For example, if you want a budget of \$10,000 in periods 1 through 6, and a budget of \$15,000 in periods 7 through 12, enter \$10,000 in period 1 and \$15,000 in period 7. The duplicate function populates \$10,000 in budget periods 2 through 6, and \$15,000 in budget periods 8 through 12 automatically.
	You can also copy last year's actuals or budgets to create the new budget.
Spreading amounts in budget entry	If you enter an annual budget, it is spread equally across all periods for the year. For example, if you enter an annual budget of \$120,000 and you have 12 periods, a \$10,000 budget is populated in each period.
	You can define and use a spread code to spread budget amounts across periods using weighted values. Spread codes can represent seasonal fluctuations, working days, weeks each month, or any other relevant values. For example, you can populate 5% of an annual budget in Period 1, 7% in Period 2, 4% in Period 3, and so on. The weighted values you use in a spread code must total 100%.
	You can also create a multi year spread budget that spreads the total budget amount equally across all periods and years of a budget.

Copying existing budgets using a batch program	You can use a batch program to define a new budget by copying from actuals or existing budgets. For activity group budgets, you can copy amounts and units from one activity group to another, or to activity groups in an activity group list. For activity budgets, you can copy amounts and units from one activity to another, or to a list of activities.
	You can also copy compute statements and parameters from source budgets.
Computing budgets during data entry or using a batch program	You can compute or calculate budgets using compute statements. For example, you might want to base next year's budget on current year budgets, factoring in a 5% increase. You can compute budget units and amounts.
Interfacing budgets from a non-Lawson system	You can interface budgets you create in spreadsheets or other budgeting applications to Project Accounting.

What Are Budget Edits?

Budget edits provide real-time budget enforcement for activity-related transactions that originate in other Lawson applications. Budget edits compare your costs (past, in progress, and current) to the active budget you defined. If the cost associated with a transaction would cause the budget amount to be exceeded, the application automatically stops the transaction. You can define tolerance limits for your budget edits for added flexibility. The specific formula used for budget edits is shown below.

NOTE If you use multiple currencies, budget edits are performed after amounts are normalized to base currency.

Figure 7. Illustration: Formula for budget edits



Commitments

Commitments are costs that will be posted to an activity at a future date (such as requisitions or purchase orders), and therefore ensure real-time accuracy in budget edits. Changes and deletions to commitments are dynamically updated from other Lawson applications.

Commitments in this formula include released Project Accounting transactions as well.

Tolerances

Budget tolerances define the percentage by which a budget can be exceeded. During transaction entry, an error message appears when budgets are exceeded by a greater amount than the tolerance will allow. Tolerances are set on the activity group. Tolerances are optional.

Enabling and Enforcing Budget Edits

There are three areas in Lawson where you set up budget edits:

General Ledger

For activity-related budget edits to work, you need to enable budget editing on System Codes (GL01.4). On this form, you determine whether budget edits are enabled in the following applications:

- General Ledger (GL)
- Requisitions (RQ)
- Purchase Order (PO)
- Accounts Payable (AP)
- Cash Management (CB)
- Employee Expense (EE)
- Project Accounting (AC)

When budget edits are activated for applications, you can add activity-related transactions, but if the budget is exceeded, you will receive a budget exceeded error message.

Activity Group

On the Budget page of Activity Group (AC00.1) you define budget edit parameters to enable the "budget exceeded" error message when adding activity transactions, manual commitments, or activity-related transactions from other applications to Project Accounting.

You will choose if budgets will be checked, and if so, how often. You will also choose the budget level for budget edits: at the activity group level, at the activity level, at the activity and account category level, or at the activity and summary account category level.

Activity

On the Budget Overrides page of Activity (AC10.1) you can override the activity group budget edit parameters for posting activities only, provided the activity group budget edit is not at the activity group level.

You will choose if budgets will be checked at the activity level, and if so, how often. You will also choose the budget level for budget edits: at the activity level, at the activity and account category level, or at the activity and summary account category level.

Account Category Structure

If you choose to edit budgets at the activity and summary account category level, you will also set up budget edits on the account category structure.

IMPORTANT The budget edit option for summary account categories does not work with any of the other budget level options on the activity group.

You can set the budget edit to occur on lowest summary level account categories, on detail account categories, or to ignore budget edits for any detail account categories that belong to a certain summary account category. For example, you can set the option to budget edit against a direct costs summary account category, but to ignore an indirect costs summary account category.

Example

Your organization has the following account category structure:

- Direct Costs (summary level)
 - Labor (summary level)
 - Salary
 - Non-salary
 - Supplies (summary level)
 - Lab
 - Consortia
- Indirect Costs (summary level)
 - Fringe
 - F&A

Within the Supplies summary account category, you have a \$1,000 budget in Lab and \$1,000 budget in Consortia. This equals a total of \$2,000 for Supplies. If overall, your organization want to make sure all supply expenses do not exceed \$2,000, you can edit to the summary account category (Supplies). If your organization must stay within the \$1,000 budget for each of the detail account categories, you can set the budget edit to the detail account category.

Procedures in this Chapter

Use the following procedures to set up budgets and budget edits for Grant Management in Project Accounting.

- "Defining Activity Budget Headers" on page 72
- "Defining Activity Annual Budgets" on page 74
- "Defining Activity Budgets by Activity" on page 78
- "Defining Activity Budgets by Account Category" on page 82
- "Defining Budget Edits" on page 86

Defining Activity Budget Headers

NOTE Activity budgets must be defined by activity and account category, but you define one budget header for the entire activity. You must define a header for each activity budget you create. All budget types require a header. The header contains general information about the budget such as the activity, the budget number, date ranges for the budget, the status, and currency information. Use this procedure to define budget header information before defining an activity budget.

STEPS To define an activity budget header

- 1. Access Activity Budget Header (AC20.7).
- 2. Define the activity budget. Consider the following fields.

Activity	Select the activity for which you are defining budget headers.	
Budget	Type a budget number and description. You can have only one active budget per activity, but you can define multiple budgets.	
	NOTE Be consistent with budget numbers across activities. For example, if budget 100 is the approved budget, you must create a separate header for budget 100 for each activity.	
Date Range	Type the beginning and ending dates for the activity budget. The dates must fall within the activity's date range. If you leave these fields blank, the activity's date range defaults.	
	TIP Budget periods and years are determined by the calendar assigned to the activity group associated with the activity.	
Amount Round	Specify how you want to round budget amounts:	
--	--	--
Туре	Two places to the right of the decimal	
	Whole number	
	Hundreds	
	Thousands	
Unit Round Type	Specify how you want to round budget units:	
	 Two places to the right of the decimal 	
	One place to the right of the decimal	
	Whole number	
	Hundreds	
	Thousands	
Life Only	Select Yes to identify the activity budget as life only. If you select Yes, annual and period budget data is not stored. The default is No.	
Active Budget	Select Yes to make the activity budget active. Active budgets are used for budget edits and report defaults. When you set a budget to active, all other budgets for the activity are automatically made inactive. The default is No.	
Currency (Budget)	Activity budgets can be defined in any currency, provided that you have established the following relationships and exchange rates in the Currency application:	
	versa	
	 Budget Currency to Report One Currency and vice versa 	
	 Budget Currency to Report Two Currency and vice versa 	
Report One and Report Two	These fields display the report currencies. Report currencies are defined in the activity group associated with the activity.	
Calculate (Report One) and Calculate (Report Two)	Select Yes to store the activity budgets in either Report One currency, Report Two currency, or both. The default is Yes if the report currency exists and No if the report currency does not exist.	

Exchange Rate (Report One) and Exchange Rate (Report Two)	Type the exchange rate to be used to convert the activity budget amount from budget currency to the report currencies. To use the exchange rate defined for the report currency in the Currency application for the budget begin date, leave this field blank.
	NOTE Exchange rates are applied at the time activity budgets are created. You cannot modify the exchange rate once budgets are established. Fluctuations in exchange rates defined in the Currency application are not automatically reflected in the budget.
Multiply or Divide	Either Multiply (M) or Divide (D) displays to indicate whether the budget amount will be multiplied or divided by the exchange rate. You define this value on Currency Relationship (CU02.1).

Follow-up Tasks

After defining the activity budget header you must define the activity budget. See:

- "Defining Activity Annual Budgets" on page 74
- "Defining Activity Budgets by Activity" on page 78
- "Defining Activity Budgets by Account Category" on page 82

Defining Activity Annual Budgets

TIP You can copy and modify existing activity budgets to save time. See the *Project Accounting User Guide*. You can define activity budgets for three time frames: life only, annual, or period. An annual budget designates the total budgeted amount and units by year for an activity and account category. Period budgets are updated automatically when you define an annual budget. Use this procedure to define an annual activity budget.

STOP You must define an activity budget header before you can define the activity budget. Define any necessary factors or spread codes that will be used to define the budget. For more information, see *Project Accounting User Guide*.

Need More Details? Check out the following concepts:

- "What Is a Budget?" on page 66
- "What Are Methods for Defining Budgets?" on page 67

STEPS To define an annual budget

- 1. Access Annual Budget (AC20.2).
- 2. Define the annual budget. Consider the following fields.

Activity Group	You can leave this field blank when defining activity budgets.
Activity	Select the posting activity for which you want to define a budget.
Acct Category	Select the account category for which you want to define a budget. The account category must be assigned to the activity you selected in the Activity field.
Budget Number	Select the budget number you defined in the header for this budget. For more information, see "Defining Activity Budget Headers" on page 72.
	NOTE When defining budgets for multiple activities, be consistent with budget numbers. For example, if you are defining an approved project budget for the year 2002, and you have determined that budget 200 identifies the 2002 approved project budget, use budget 200 for all activities.

Action	You can select one of the following action codes as an alternative to typing budget values in each year:
	 Last Year Actual (A): Copies last year's actual amounts and units into the budget.
	 Last Year Budget (B): Copies last year's budget amounts and units into the budget.
	 Compute Amount (C): Uses a compute statement to calculate the budget amounts. You must enter a compute statement.
	 Compute Units (U): Uses a compute statement to calculate the budget units. You must enter a compute statement.
	 Duplicate (D): Copies the budget amount you enter for the first year to blank years, stopping when a different budget value is encountered.
	 Spread (S): Spreads the annual budget values to periods using a spread code. Spread codes define the percentage of the total budget to populate in each period.
	TIP If you enter annual budget values in each year and you don't use the spread action or don't select a spread code, the annual budget is spread equally across all periods.
	 Multi Year Spread (M): Spreads the total budget amount to all periods and years in the budget. Each period is given a budget amount that is proportionate to the number of days in the period.
	TIP For a Multi Year Spread budget, enter budget values in only the first detail line, and leave the Year blank. Also, the Compute , Parameter , and Spread Code fields must be blank.
Compute and Parameter	These fields are used only if you are defining a budget using a compute statement.
	See <i>Project and Activity User Guide</i> for detailed procedures.

Spread Code	If you selected the Spread action, select a spread code to control how the annual budget is spread across periods. Spread codes contain percentages that determine the percentage of the annual budget amount and units to populate in each period. You define spread codes using Spread Codes (AC23.1).
	For details, see Project and Activity User Guide.
Year	Type the year(s) for which you are defining the activity budget. The year must be within the date range for the activity and the Life Only option on Activity Budget Header (AC20.7) must be set to No.
	Leave this field blank if Action=M (Multi Year Spread).
Amount	Type the annual budget amount for the activity. The amount can be used in conjunction with the Spread, Multi Year Spread, and Duplicate actions.
	NOTE For the Multi Year Spread option, you do not want to use the annual budget amount, use the total for the date range specified in the budget header.
	As an option, you can define a factor and units or a rate and units and the application will automatically calculate the amount.
	TIP Define activity budget amounts in the budget currency.
Factor	You can select a factor to calculate the annual budget amount using budget units and a standard rate. The system multiplies the budget units times the rate defined in the factor. You define factors on Global Factors (FB00.1).
Rate	You can type a rate to calculate the annual budget amount based on budget units times the rate.
Units	Type the annual units for the activity group. As an option, you can define a factor and units or a rate and units and the application will automatically calculate the amount.

Follow-up Tasks:

- You can define budget edits to stop transactions that would cause you to exceed the budget. For more information, see "Defining Budget Edits" on page 86.
- You can make changes to this budget or lock it to prevent it from being changed. For more information, see *Project Accounting User Guide*.

Related Reports and Inquiries

То	Use
List budget information defined using the AC20 budget forms	Budget Listing (AC220)
Report on the variance between activity budgets and actuals or between two budgets	Budget Variance Report (AC420)

Defining Activity Budgets by Activity

You can define budgets for a single posting activity and account category for life only, annual, and period time frames. Use this procedure to define activity budgets for a single activity and multiple account categories for any budget time frame.

STOP You must define an activity budget header before you can define the activity budgets. Define any necessary factors or spread codes that will be used to define the budget. For more information, see *Project Accounting User Guide*.

Need More Details? Check out the following concepts:

- "What Is a Budget?" on page 66
- "What Are Methods for Defining Budgets?" on page 67

STEPS To define activity budgets by activity

- 1. Access Activity Budgets by Activity (AC20.4).
- 2. Select the activity and time frame for which you want to define budgets. Consider the following fields.

Activity	Select the activity for which you want to define budgets.
Budget	Select the budget number you defined in the header for this budget. For more information, see "Defining Activity Budget Headers" on page 72.

Year, Period	Select the time frame for which you want to define budgets:
	 To define period budgets, type a year and period.
	 To define annual budgets, type a year.
	 To define life only budgets, leave these fields blank.
	 If Action=M (Multi Year Spread), leave these fields blank.

3. Choose the Load special action to retrieve account categories for the selected activity.

TIP To add line items on this form, use the Add line action in conjunction with the Change form action. 4. Define budgets for each account category. Consider the following fields.

Action

You can select one of the following action codes as an alternative to typing budget values in each account category:

- Last Year Actual (A): Copies last year's actual amounts and units into the budget.
- Last Year Budget (B): Copies last year's budget amounts and units into the budget.
- Compute Amount (C): Uses a compute statement to calculate the budget amounts. You must enter a compute statement.
- Compute Units (U): Uses a compute statement to calculate the budget units. You must enter a compute statement.
- Duplicate (D): Copies the budget amount you enter for the first account category to blank account categories, stopping when an existing budget value is encountered.
- Spread (S): For annual budgets, spreads the budget amounts and units to periods using a spread code. Spread codes define the percentage of the total budget to populate in each period.

TIP If you enter annual budget values in each account category and you don't use the spread action or don't select a spread code, the annual budget is spread equally across all periods.

 Multi Year Spread (M): Spreads the total budget amount to all periods and years in the budget. Each period is given a budget amount that is proportionate to the number of days in the period.

TIP For a Multi Year Spread budget, leave the **Year** and **Period** blank. Also, the **Compute**, **Parameter**, and **Spread Code** fields must be blank.

Spread	If you selected the Spread action, select a spread code to control how the budget amounts and units you enter for the account category are spread across periods. Spread codes contain percentages that determine the percentage of the amount and units to populate in each period. You define spread codes using Spread Codes (AC23.1).
	If you use the Spread action and do not select a spread code, activity budget amounts and units will be spread equally across all periods.
Compute and Parameter	These fields are used only if you are defining budgets using a compute statement.
	See Project Accounting User Guide for detailed procedures.
Amount	Type the budget amount for each account category. The amount can be used in conjunction with the Spread, Multi Year Spread and Duplicate actions.
	As an option, you can define a factor and units or a rate and units to automatically calculate the budget amount.
	TIP Define activity budget amounts in the budget currency defined in the budget header.
Factor	You can select a factor to calculate budget amounts using budget units and a standard rate. The system multiplies the budget units times the rate defined in the factor. Factors are defined on Global Factors (FB00.1).
Rate	You can type a rate to calculate the budgets amount based on budget units times the rate.
Units	Type the projected units for each account category. As an option, you can define a factor and units or a rate and units to automatically calculate the budget amount.

Follow-up Tasks:

- You can define budget edits to stop transactions that would cause you to exceed the budget. For more information, see "Defining Budget Edits" on page 86.
- You can make changes to this budget or lock it to prevent it from being changed. For more information, see *Project Accounting User Guide*.

Related Reports and Inquiries

То	Use
List budget information defined using the AC20 budget forms	Budget Listing (AC220)
Report on the variance between activity budgets and actuals or between two budgets	Budget Variance Report (AC420)

Defining Activity Budgets by Account Category

You can define budgets for a single posting activity and account category for life only, annual, and period time frames. Use this procedure to maintain activity budgets for a single account category and multiple activities for any budget time frame.

STOP You must define an activity budget header before you can define the activity budgets. Define any necessary factors or spread codes that will be used to define the budget. For more information, see *Project Accounting User Guide*.

Need More Details? Check out the following concepts:

- "What Is a Budget?" on page 66
- "What Are Methods for Defining Budgets?" on page 67

STEPS To define an activity budget by account category

- 1. Access Activity Budgets by Account Category (AC20.5).
- 2. Select the account category and time frame for which you want to define activity budgets. Consider the following fields.

Activity Group	Select the activity group associated with the activities for which you want to define budgets.
Budget	Select the budget number you defined in the header for this budget. For more information, see "Defining Activity Budget Headers" on page 72.
Account Category	Select the account category for which you want to define budgets.

odSelect the time frame for which you want to define budgets:	
 To define period budgets, type a year and period. 	
 To define annual budgets, type a year. 	
 To define life only budgets, leave these fields blank. 	
 If Action=M (Multi Year Spread), leave these fields blank. 	

3. Choose the Load special action to retrieve activities for the selected account category.

TIP To add line items on this form, use the Add line action in conjunction with the Change form action. 4. Define budgets for each activity. Consider the following fields.

Action

You can select one of the following action codes as an alternative to typing budget values in each activity:

- Last Year Actual (A): Copies last year's actual amounts and units into the budget.
- Last Year Budget (B): Copies last year's budget amounts and units into the budget.
- Compute Amount (C): Uses a compute statement to calculate the budget amounts. You must enter a compute statement.
- Compute Units (U): Uses a compute statement to calculate the budget units. You must enter a compute statement.
- Duplicate (D): Copies the budget amount you enter for the first activity to blank activities, stopping when an existing budget value is encountered.
- Spread (S): For annual budgets, spreads the budget amounts and units to periods using a spread code. Spread codes define the percentage of the total budget to populate in each period.

TIP If you enter annual budget values in each activity and you don't use the spread action or don't select a spread code, the annual budget values are spread equally across all periods.

 Multi Year Spread (M): Spreads the total budget amount to all periods and years in the budget. Each period is given a budget amount that is proportionate to the number of days in the period.

TIP For a Multi Year Spread budget, leave the **Year** and **Period** blank. Also, the **Compute**, **Parameter**, and **Spread Code** fields must be blank.

Spread	If you selected the Spread action, select a spread code to control how the budget values you enter for the activity are spread across periods. Spread codes contain percentages that determine the percentage of the amount and units to populate in each period. You define spread codes using Spread Codes (AC23.1).
	If you use the Spread action and do not select a spread code, budget values will be spread equally across all periods.
Compute, and Parameter	These fields are used only if you are defining budgets using a compute statement.
Amount	Type the budget amount for each activity. The amount can be used in conjunction with the Spread, Multi Year Spread, and Duplicate actions.
	As an option, you can define a factor and units or a rate and units to automatically calculate the budget amount.
	TIP Define activity budget amounts in the budget currency defined in the budget header.
Factor	You can select a factor to calculate budget amounts using budget units and a standard rate. The system multiplies the budget units times the rate defined in the factor. Factors are defined on Global Factors (FB00.1).
Rate	You can type a rate to calculate the budgets amount based on budget units times the rate.
Units	Type the projected units for each account category. As an option, you can define a factor and units or a rate and units to automatically calculate the budget amount.

Follow-up Tasks:

- You can define budget edits to stop transactions that would cause you to exceed the budget. For more information, see "Defining Budget Edits" on page 86.
- You can make changes to this budget or lock it to prevent it from being changed. For more information, see *Project Accounting User Guide*.

Related Reports and Inquiries

_	То	Use
-	List budget information defined using the AC20 budget forms	Budget Listing (AC220)
-	Report on the variance between activity budgets and actuals or between two budgets	Budget Variance Report (AC420)

Defining Budget Edits

NOTE You can define budget edits before or after you define budgets. If you activate budget edits, you must define budgets before you process transactions in the applicable Lawson applications. Budget edits prevent data entry in other Lawson applications when an activity group or activity budget is exceeded. Use this procedure to define budget edit parameters.

Figure 8. Procedure flow: Defining budget edits



Need More Details? Check out the following concepts:

• "What Are Budget Edits?" on page 69

STEPS To define budget edits

- 1. Access Activity Group (AC00.1).
- 2. Use the Budget form tab to define budget edits. Consider the following fields.

Budget Checking	 Select one of the following options to determine the budget time frame to use for budget edits: Use Period Edit to perform the edit using the active period-to-date budget. Use Annual Edit to perform the edit using the active year-to-date budget. Use Total Edit to perform the edit using the active life-to-date budget. Use No Edit (the default) if you do not wish to enable budget edits.
	not valid with a Life Only budget.
Level	 Select one of the following options to determine the budget level to use for budget edits: Use Activity-Acct Cat to perform the edit using the budget for the activity and account category specified in the transaction. Use Activity Group to perform the edit using the activity group budget. The budget for the activity group associated with the activity in the transaction is used. Use Activity to perform the edit using the total budgets for all account categories in the activity specified in the transaction. Use Activity-Summary Acct Cat to perform the edit using all transactions related to the summary account category.
	TIP Use the Activity-Summary Acct Cat option if your Account Category structure is set up so you would want to edit at the summary level (for example, direct costs versus indirect costs).
	For more information, see "What Are Budget Edits?" on page 69.

Tolerance	Type a value to indicate the percentage by which the budget can be exceeded. For example, to allow budgets to be exceeded by 5%, enter 5.00.
Maximum	Type a value to indicate the budget maximum for the activity group. This is informational only, and produces a warning message during activity budget entry when the total activity budgets exceed the maximum.
Current Budgeted	This field displays the total budget amount defined for activities in the activity group.

3. (Optional) Access Activity (AC10.1) to override the budget edits at the activity level.

IMPORTANT Only posting activities can have budget edits defined at the activity level, and only if the activity group budget level on Activity Group (AC00.1) *is not* set to Activity Group (2).

See the Project Accounting User Guide for detailed procedures.

Consider the following fields.

Budget Checking	The activity group budget checking value displays. You can override it with one of the following values.
	• Use Period Edit to perform the edit using the active period-to-date budget.
	• Use Annual Edit to perform the edit using the active year-to-date budget.
	 Use Total Edit to perform the edit using the active life-to-date budget.
	• Use No Edit (the default) if you do not wish to enable budget edits.
	If budget amounts are validated, the system validates whether actuals plus commitments are less than or equal to the budget plus the budget tolerance. The edits are performed in the applications you select on System Codes (GL01.4).
	NOTE Period Edit and Annual Edit options are not valid with a Life Only budget.

Level	The activity group edit level displays. You can override it with one of the following values.
	• Use Activity-Acct Cat (1) to perform the edit using the budget for the activity and account category specified in the transaction.
	• Use Activity (3) to perform the edit using the total budgets for all account categories in the activity specified in the transaction.
	 Use Activity—Summary Account Cat (4) to perform the edit using the budget for the summary account category in the activity specified in the transaction.
	IMPORTANT You cannot define budget edits for this activity if the default budget edit level that displays (derived from the activity group) is 2 Activity Group.
Tolerance	Type a value to indicate the percentage by which the budget can be exceeded. For example, to allow budgets to be exceeded by 5 percent, enter 5.00.

Estimated Maximum	Type a value to indicate the budget maximum for the activity. This is informational only, and produces a warning message during activity budget entry when the total activity budget exceeds the maximum.
	IMPORTANT You can enter an estimated value for contract and summary activities also, but only posting activities can be subject to activity budget editing.

- 4. Access System Codes (GL01.4).
- 5. Use this form to specify the system codes in which you want to perform budget edits. Consider the following fields.

(Commitments) applic trackir comm includ	If you activate budget edits in a Lawson application, you should also activate commitment tracking for that application. This ensures that commitment transactions are available and included when the budget edit formula is applied.	
AC Bud (Budget Edit) Select during in any G R Pr A C C C E	 Select Yes in this field to enforce budget edits during data entry. You can activate budget edits in any of the following Lawson applications: General Ledger (GL) Requisitions (RQ) Purchase Order (PO) Accounts Payable (AP) Cash Management (CB) Employee Expense (EE) 	

Related Reports and Inquiries

То	Use
List all valid budgets assigned to a specific activity or activity group.	Budget Listing (AC220) or Budget Control Report (AC225)
Report on the variance between activity budgets and actuals or between two budgets.	Budget Variance Report (AC420)
View remaining budget amounts and total actuals, commitments, and budgets.	Activity Analysis (AC90), Account Category Analysis (AC95), and Activity Commitment Summary (AC295)

Setting Up Contract Activities for Grants

Billing and Revenue Management is integrated with Project Accounting. You set up contract activities, customers, and processing so you can bill sponsors for and recognize revenue on grants.

This chapter explains the basics of billing and revenue setup in Lawson Billing and Revenue Management. For more information, see *Billing and Revenue Management User Guide*.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 94. The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Accounts Receivable Setup is Required for Grant Management?" on page 92
- "What Billing and Revenue Management Setup Should I Consider for Grant Management?" on page 93

What Accounts Receivable Setup is Required for Grant Management?

Before you can setup contract activities for Grant Management in Billing and Revenue Management, apply cash, or close a period, there is some minimal required setup in the Lawson Accounts Receivable application.

IMPORTANT Lawson recommends you use the *Accounts Receivable User Guide* to assist you with the full setup of Accounts Receivable.

In order to use Lawson Accounts Receivable for Grant Management, be sure to complete the following setup.

- Use Customer Group (AR00.1) to define customer groups.
- Use Company (AR01.1) to setup an AR company or companies.
- Use Process Level (AR02.1) to define process levels.
- Use Customer Defaults (AR08.1) to define customer defaults.
- Use Customer Group Address (AR09.1) to define customer group address.
- Use Customer (AR10.1) to define customers.

Example

The University of California-Davis (UCD) has received grants from the National Cancer Institute (NCI), the National Eye Institute (NEI), and the National Institute of Mental Health (NIMH), all of which are part of the National Institutes of Health (NIH).

The projects funded by these unrelated grants are performed in two different departments of UCD – the Academic Health Center and the Immunology Research Branch.

For each of these units, UCD completes the following setup in Accounts Receivable:

- A company for UCD
- Separate process levels for UCD Academic Health Center and UCD Immunology Research Branch
- A separate customer for each sponsor: NCI, NEI, NIMH, and NIH

What Billing and Revenue Management Setup Should I Consider for Grant Management?

As you define the billing and revenue structure for activity groups and activities for grants Billing and Revenue Management, there is additional setup to consider.

Contracts

Your activity structure in Project Accounting determines how many contract records you must define. For each contract activity, you need a separate Contract Parameters (BR10.1) record to track the contract data. You enter contract amounts on Contract Detail (BR10.2).

Also, if your organization uses a letter of credit for an award, you can identify letter of credit numbers on the Customer page of Contract Parameters (BR10.1). You can optionally use the contract modification functionality on Additional Contract Information (BR10.4) to create an audit trail of changes to the contract amount or date values. For more information, see "Defining Contract Parameters" on page 94.

Customers

When you define customers on Customer (BR11.1), each sponsor should be set up as a separate customer. If your organization uses a letter of credit for an award, the AR Interface option on Customer (BR11.1) should be Summary, so you can apply cash by an activity list based on letter of credit on Entry and Application (AR30.1). For more information, see "Defining Customer Invoice Options" on page 103.

Activity Billing

When you set up a billing method on Activity Billing (BR00.1), you will enter the award amount in the Contract Amount field. If the billing ceiling is different from the contract ceiling (contract amounts are entered on Contract Detail (BR10.2), you only need to define a billing ceiling on Billing Detail (BR00.2). For more information, see "Defining Billing Parameters and Detail" on page 107.

Procedures in this Chapter

Use the following procedures to set up contract activities, customers, and processing for Grant Management in Billing and Revenue Management.

- "Defining Contract Parameters" on page 94
- "Defining Customer Invoice Options" on page 103 •
- "Defining Billing Parameters and Detail" on page 107 •

Defining Contract Parameters

After you set up your activity structure, you must define contract parameters for each contract activity within your structure. Contract parameters identify the method that will be used to recognize revenue, the level at which the revenue will be calculated, and many additional billing and revenue options.

STOP Before you define contract parameters, define a contract type activity on Activity (AC10.1) and assign GL accounts on Account Assignment (AC07.1).

STEPS To define contract parameters

NOTE When you interface invoices to the Accounts Receivable application, the contract field defaults in AR as User Field 1 for filtering.	1. 2. 3.	Access Contract Parameters (BR10.1), Main page. Type a unique code and a description in the Contract fields, to identify contract activity you want to define parameters for. Associate the contract with an activity and identify other contract parameters on the Main page. Consider the following fields	
		Contract Activity	Select the activity that you want to associate the contract with.
			IMPORTANT The activity that you select in this field must be defined as a contract-type activity and selected as billable on Activity (AC10.1).
		Contract Amount	The amount displayed is the total contract

amount defined on Contract Detail (BR10.2).

Invoice Currency	Select the currency code for billing contract amounts. This code will appear on the invoice. All amounts calculated on the billing and revenue transactions will be stored in this currency.	
	NOTE If the contract currency is different from your activity group base currency, Lawson recommends you assign one of your activity group reporting currencies to match the contract currency. This lets you see all balance amounts in the contract currency.	
Exchange Rate	Select the exchange rate used to calculate the invoice currency amount from the nonbase currency transaction amount.	
	NOTE This rate is used only if the contract currency is different from the activity group currency. This also is the starting exchange rate for the contract.	
Fixed Exchange	Select Y (Yes) or N (No) to indicate whether the contract currency exchange rate is fixed or whether it fluctuates during the life of the contract.	
	 If you select Y (Yes), the current exchange rate assigned to the contract in the Exchange Rate field is always used. If you use a fixed exchange rate, you will not have any gains or losses. 	
	 If you select N (No), the Currency Table assigned to the contract activities on Activity Group (AC00.1) is used and the rate fluctuates according to your currency exchange table. 	

Revenue Method	Select the method by which revenue associated with an activity is calculated:	
	 P (Percent Complete): Recognizes revenue as services are performed based on the percentage of completion calculation. 	
	 C (Completed Contract): Recognizes revenue when the contract is complete. 	
	• A (Accrual): Recognizes revenue for billable costs as they occur, regardless of whether the costs are billed.	
	• M (Milestone): Revenue is recognized during the life of an activity when a milestone (a significant point in the activity) is reached.	
	 T (Cost Plus): Recognizes revenue on cost plus markup. 	
	 9 (User-Defined): Recognizes revenue for billable costs based on a unique user-defined code. 	
	IMPORTANT If you select P (Percent Complete) or C (Completed Contract), you must select a value in the Revenue Calculation field.	
Revenue Calculation	Select a value to determine how revenue is calculated for Percent Complete or Completed Contract revenue recognition:	
	 Method A — Percent Complete (A) calculated as total costs divided by the total budgeted amount. Use this method when you want the system to calculate percent complete for completed contract revenue recognition. 	
	 Method B — Gross Margin (B) calculated as gross profit divided by total contract. Use this method if you intend to follow the originator of expense. 	
	NOTE If you use accrual, cost plus, milestone, or the basic method of completed contract, leave this field blank.	
Calculation Level	Select Posting/Segment (P), Contract/Non- Segment (C,) Posting/Acct Cat/Segment (1), or Contract/Acct Cat/Non-Segment (2) to indicate at what level revenue will be calculated.	

Ignore Rev Ceilings	Select Yes (Y) or No (N) to indicate whether to ignore revenue ceilings when running Revenue Calculation (BR130) for the contract if you are using the Full Accrual or Cost Plus Full Accrual revenue method. If your revenue method is not Full Accrual or Cost Plus Full Accrual, then this field must be blank.
	If you select Yes, revenue will continue to be calculated even if revenue ceilings have been exceeded. This allows the revenue transactions being created to be tied back to the originating transactions.
Budget Type	Select Amount (A) or Unit (U) to indicate the budget type.
	NOTE Budget values are used in Percent Complete and Completed Contract revenue calculation.
Account Category Group	If you use percent complete calculation, select the account category group with which you want to associate the contract. This is the default account category group.
	The account categories in the group are used to calculate the total cost-to-date and total budget amounts.
	IMPORTANT If you do not select an account category group, the system uses all account categories assigned to the account category structure to determine percent complete. You can override the account category group in the percent complete calculation.

Exclude Unpaid AP	Select Yes or No to indicate whether activity transactions associated with unpaid Accounts Payable invoices will be excluded from billing. To enable tracking of the payment status for these transactions, this field must be set to Yes at the time the invoice is released in Accounts Payable.
	NOTE This field must be Yes to enable the Financial Status Report (GM269) in Grant Management to accurately calculate cash outlays.
Choose the Customer the following fields.	page and specify customer information. Consider
Company	Select a number to represent the Accounts Receivable company that is associated with the contract activity.
Customer	Select a number to represent the customer who is associated with the contract activity.
Customer Invoice Option	Select the invoice parameters which will be associated with this customer for this contract.
	NOTE Define invoice options on Customer (BR11.1). For more information, see "Defining

option		
	NOTE Define invoice options on Customer (BR11.1). For more information, see "Defining Customer Invoice Options" on page 103.	
Customer PO Number	Type a customer purchase order that is assigned to the contract. This number appears on the invoice for customer cross reference.	
Letter of Credit	Type the letter of credit number through which the contract is paid.	
	NOTE Letter of credit is allowed only if the invoice options assigned to the contract have the AR Interface Option field set to Summary.	
Document Number	Type the document number for the letter of credit. The document number is unique for different contracts.	

NOTE GL codes provide a shorthand way to identify General Ledger posting companies, accounting units, accounts and subaccounts. You can define a GL code on GL Code (AC04.1).

5. Choose the GL Codes, Acct Categories page and select account storage structures. Consider the following fields.

Revenue	If you want the revenue transaction to post to the company and accounting unit from the original transaction (revenue follows the originator of the expense), select a General Ledger account/subaccount combination. Or, to always post the revenue transaction to a a specific company and accounting unit, select a GL code and an account category that you want to post contract revenue to. This must be a revenue type account category.
Revenue Adjustments	Select or type the General Ledger account and account category you want to post revenue adjustments to. This must be a revenue type account category.
Retainer	Select or type the General Ledger account and account category you want as your retainer. This must be an accrual type account category.
Earned/Unbilled	Select the GL code and account category where you want to store earned/unbilled amounts. This code is used for unbilled transactions. These entries are posted to the contract activity in the Billing and Revenue Management application. This must be an accrual type account category.
	NOTE The unbilled GL code is used when revenue exceeds billing.
	TIP To view scenarios of billing and revenue processing options, see Appendix A, "Journal Entries" in <i>Billing and Revenue Management User Guide</i> .

Billed/Unearned	Select the GL code and account category where you want to store billed/unearned amounts. This code is used for billed transactions. These entries are posted to the contract activity in the Billing and Revenue Management application. This must be an accrual type account category. NOTE The billed GL code is used when billing
	exceeds revenue.
	TIP To view scenarios of billing and revenue processing options, see Appendix A, "Journal Entries" in <i>Billing and Revenue Management User Guide</i> .
Pass Thru	Select a value to represent the GL code and account category where you want to store pass thru amounts. These entries are posted to the contract activity in the Billing and Revenue Management application. This must be a pass thru type account category.
Loss	Select a value to represent the GL code and account category to use for loss entries. This must be a cost type account category.
Reserve for Loss	Select a value to represent the GL code to store reserve losses or loss transactions in.
To post transactions to or to post revenue diff on the Main page of 0 selections you made i Contract Accounts (Bl	account parameters for specific account categories erently based on the cost, you can choose Account Contract Parameters (BR10.1), to override the in the previous step. Select Account to display R10.3).
Consider the following	g fields.
Cost Acct Cat (Account Category)	Select the cost account categories from which you want to post contract amounts.
Revenue	If you want the revenue transaction to post to the company and accounting unit from the original transaction (revenue follows the originator of the expense), select a General Ledger account/subaccount combination. Or, to always

6.

post the revenue transaction to a a specific company and accounting unit, select a GL code and an account category that you want to post contract revenue to. This must be a revenue type

account category.

Reserve Loss GL Code	Select a value to represent the GL code to be used for the reserve for loss entry.
Loss	Select a value to represent the GL code and account category to use when making a loss entry.
Choose Detail on th access Contract De posting activities un	e Main page of Contract Parameters (BR10.1) to tail (BR10.2). Use this form to define revenue for der your contract activity. Consider the following fields.
Inc (Include) Activity	Choose Yes in this field to include the activity in revenue calculation. This field must be Yes in order to type a billing and revenue contract ceiling in the Contract Amount field.
	If the contract activity is a grant, make sure this field is Yes.
Contract Amount	Type the activity amount in the contract currency. The total amount entered for all contracts will determine the contract ceiling amount displayed on the Tolerance page on Contract Parameters (BR10.1).
	NOTE The base currency amount appears in the Base Amount field and is calculated using the exchange rate applied to the contract.
To define a contract Parameters (BR10.	tolerance, choose the Tolerance page on Contract 1). Consider the following fields.
Include for Billing	Select Include (I) if you want to set tolerance amounts for billing. If you do not, select Exclude (E).
Include for Revenue	Select Include (I) if you want to set tolerance amounts for revenue recognition. If you do not, select Exclude (E).
Tolerance	Type an amount by which you will allow the contract to exceed the ceilings on the contract and billing records.
Tolerance Code	If you include a tolerance on the ceiling amount when Include for Revenue field is set to "I", you must select a journal code that will be used when the system automatically creates revenue-at-risk entries. You can define auto tolerance journal codes on Journal Codes (BR12.1).

TIP Before you set your contract tolerance, you must define a ceiling amount on Contract Detail (BR10.2). The contract ceiling is the total amount entered for the contract. This amount will determine the contract ceiling amount displayed on the Tolerance form tab. For detailed information on ceilings, see *Billing and Revenue Management User Guides*. **NOTE** For more information on Revenue Realization (BR131), see *Billing and Revenue Management User Guide*. 9. Choose the Adjustments page and select contract defaults that will be displayed on the invoice. If you select defaults on the Adjustments page, you will not have to select these fields again if you choose to use the invoice edit feature. Field values selected on the Adjustments page determine how Revenue Realization (BR131) will process revenue when billing amounts are written up or down. Consider the following fields.

Invoice Edit Defaults	
Activity	Select the default activity to use on invoice edit transactions. This value can be overridden on the invoice edit forms.
Account Category	Select the default account category to use on invoice edit transactions. This value can be overridden on the invoice edit forms.
Company	Select the default company to use on invoice edit transactions. This value can be overridden on the invoice edit forms.
Accounting Unit	Select the default accounting unit to use on invoice edit transactions. This value can be overridden on the invoice edit forms.
Revenue Realization	
Revenue Realization Method	Choose prorate or no prorate (Prorate (1), No Prorate Use Defaults (2), or No Prorate Use Activity (3)).
Revenue Realization Method	Choose prorate or no prorate (Prorate (1), No Prorate Use Defaults (2), or No Prorate Use Activity (3)). NOTE If you choose prorate, then you must select an option for the Account Unit field.
Revenue Realization Method Account Unit	Choose prorate or no prorate (Prorate (1), No Prorate Use Defaults (2), or No Prorate Use Activity (3)). NOTE If you choose prorate, then you must select an option for the Account Unit field. Choose Activity Company Account Unit (A) or Trans Company Account Unit (T).

10. Choose the Amounts page to view contract and fee amounts for a contract. Select the contract for which you want to view amounts in the Contract field.

Follow-up Tasks

- If you selected milestone as your revenue recognition method, you must define activity milestones for the activity.
- If you want to group activities on a specific invoice within a contract and assign consecutive invoice numbers to the activities within the group, or to combine multiple contracts onto a single invoice, you can set up an invoice group.
- If you want to post transactions to account parameters other than the contract default, you can override posting accounts for account categories.
- To create Lawson-defined attribute values that can be used in customized reports and the Activity data mart, choose Additional Information on the Main tab to access Additional Information (BR10.4).
- To define contacts for the contract, choose Contacts on the Main tab to access Customer Contacts (BR14.1). The contact names you enter on this form are in addition to the contact name defined for the customer on Customer (BR11.1) and are specific to the contract.

Related Reports and Inquiries

То	Use
List contracts	Contract Listing (BR210)

Defining Customer Invoice Options

Before you can assign a customer to a contract, you must define customer parameters. These parameters are specific to each contract. This procedure describes how to define customer invoice options for one such activity contract.

STOP Before you define a customer for activity billing, you must set up the customer in the Accounts Receivable application and select the activity as billable in Project Accounting. For more information, see "Setting Up Grant Activities" on page 19.

STEPS To define customer invoice options

- 1. Access Customer (BR11.1).
- 2. To define activity billing customer options, consider the following fields on the Main tab.

AR Process Level	Type a value that represents the reporting hierarchy below the company where Accounts Receivable information will be stored.
Percent Billable	Optional. Select the percentage of charges that are billable to a customer.

NOTE For more information about the Activity data mart, see the *Analytic Architect User Guide*.

Taxable/Tax Code	Select T (taxable) or E (exempt) as your customer's tax status. If you select taxable, also select a valid tax code that represents specific tax information.
	NOTE The tax code assigned here will be the default for the invoice. You can override this tax code at the activity or account category level.
	NOTE You can not select a Tax Code and a Service Location. Select only one or the other.
Service Location	Optional. Select the service location for the invoice.
	NOTE The service location assigned here will be the default for the invoice. You can override this service location at the activity or account category level.
	NOTE You cannot select a Tax Code and a Service Location. Select only one or the other.
Bill To Address	Optional. Select a value that represents alternate billing information. This field lets you override the main customer address. This address will appear on the invoice.
Bill To Group	Optional. Select a value that represents alternate billing information. This field lets you override the main customer address. This primary address in the selected group will appear on the invoice. Bill to groups are defined on BR17.1.
Contact Code	Optional. Select a value that represents the customer's primary contact. This is the contact that will appear on the invoice.
Jurisdiction Code	Optional. Select the jurisdiction code for the invoice. Jurisdiction codes are used to guarantee sequential numbering of invoices and credit memos.
Invoice Prefix	Type a prefix to be attached to the invoice number. The prefix must be unique to the Billing and Revenue Management application to keep the invoice unique within the Accounts Receivable application.

Credit Memo Prefix	Type a prefix that will be attached to the credit memo number. The prefix must be unique to Billing and Revenue Management application to keep the credit memo unique within the Accounts Receivable application.
To define additional p following fields.	parameters, choose the Options tab. Consider the
Invoice Print Option	Select the type of information you want to print on your invoice:
	 Detail Only (D): Prints all transactions on the invoice
	 Invoice Summary Only (S): Prints a one-line invoice summary amount only (no individual transactions appear on the invoice)
Tax Print Option	Determines how to summarize tax codes and amounts on the invoice:
	 Single (S): Prints a Tax label on the invoice that contains one amount for all taxes for that invoice, even if multiple tax codes were applied to the transactions to calculate the tax amount.
	 Multiple (M): Prints each tax code and corresponding tax amount calculated on a separate line. In other words, you can have multiple transactions on the invoice with different tax codes that apply to them.
Tax Calculation	Determines the level at which tax is calculated for the invoice:
	1 (Detail line level)
	2 (Summary invoice level)

Invoice Format	Select a format for your invoice:	
	S (Standard): Creates a basic invoice	
	 C (Customized): Creates a customized 	
	report which includes every field in the file and field descriptions	
	NOTE The customized format is used with a forms printing software.	
	• F (Fax and Standard): Creates invoice in a standard format that is faxed to the customer	
	 E (Lawson EDI for Supply Chain): Creates invoice in a standard format that is sent to an EDI file 	
	 V (Custom VAT): Creates a custom invoice that displays tax detail information 	
Cumulative Totals	Choose Yes to include billing life-to-date totals on your invoice.	
AR Interface	Choose an Accounts Receivable interface option:	
Option	 Detail (D) sends full transaction detail. (Use this option if cash is applied at the line level in Accounts Receivable.) 	
	 Activity Summary (A) sends transactions to Accounts Receivable summarized by posting activity and account category, so there are lines for every posting activity. 	
	• Summary (S) sends summary activity billing information to Accounts Receivable.	
	NOTE If your contract is a grant and you use letter of credit, Lawson recommends you choose Summary because this option gives you open items in Accounts Receivable totaled by contract activity.	
Ceiling Overage	Select Include (I) to print ceiling overage amounts and show a one-line credit on your invoice. Select Exclude (E) to only post line items that fall within the ceiling amounts.	
	IMPORTANT US Government contractors are required to show all costs that could be billed, then reduce the invoice by the amounts over the ceilings.	

Fee Ceiling Overage	Select I (Include) to print fee ceiling overage amounts and show a one-line credit on your invoice. Select E (Exclude) to only post line items that fall within the ceiling amounts.
	IMPORTANT US Government contractors are required to show all costs that could be billed, then reduce the invoice by the amounts over the ceilings.
Summarize By	 Select values to determine how line items are displayed on your invoice. Choose up to five sort options. Account Category (A) Contract Category Group (B) Attribute (C) Resource (D) Summary Account Category (E) This is a multi-step sort. For example, if you want
	to sort by resources within an account category, choose Account Category (A) in the first field and Resource (D) in the second field.
To define additional customer contacts, choose Contacts on the Main tab	

 To define additional customer contacts, choose Contacts on the Main tab to access Customer Contacts (AR11.1). The names you enter here are in addition to the customer contact names on Customer Group Address (AR09.1) and Customer (AR10.1).

Defining Billing Parameters and Detail

When you define your activity billing parameters, you determine the billing methods you want to use in your activity structure, the percent billable to the contract customer, and the ceiling and tolerance amounts that are applicable to the specific activity. You can define billing parameters for contract, summary, or posting level activities. For ease in setup, define your billing parameters at the highest level possible. Make any changes at the lower levels only if your billing methods are different at those levels. This procedure describes how to define billing parameters and associated billing detail.

STOP Before you define your billing parameters, you must set up your activity contract and flag as billable those activities for which you want to define billing parameters.

STEPS To define billing parameters and detail

- 1. Access Activity Billing (BR00.1).
- 2. Define activity billing parameters. Consider the following fields.

Activity

Select the activity for which you want to establish billing parameters.

IMPORTANT This can be a contract, summary, or posting level activity. Billing cannot occur on the activity until it has been assigned a billable status on Activity (AC10.1).
Billing Method	Select a value which represents the method for calculating your activity billing:
	 1 (Time and Materials): Bills customers for material or non-labor costs at a markup percent and for labor based on a labor or resource rate.
	• 2 (Cost Plus): Bills customers for actual costs plus a markup percent which is determined by the account category to which the cost transaction is posted or on Activity Billing (BR00.1).
	 3 (Units of Production): Bills customers for each unit of work produced based on a Units of Production rates table.
	 4 (Milestone): Bills a predetermined amount based on an event or by manually changing the status to billable.
	NOTE Be careful when setting milestone parameters as they cannot be overridden at lower levels except by pass thru.
	• 5 (Pass Thru): Bills customers at cost or at a markup percent which is determined by the account category to which the cost transaction is posted.
	NOTE Pass thru costs are not accumulated against the total contract amount.
	 9 (User Defined): Lets you create your own billing calculations.
Billing Rates	If you chose time and materials for your billing method, select Table (T) or Resource (R) to tell the application where to look for the billing rate. If you chose any other billing method, leave this field blank.
	NOTE If you select Table, the rates are based on the labor category and optionally, source code. If you select Resource, the rates are based on the resource transaction and the rate assigned at the activity group, activity, or resource level.
Percent Billable	You can select a value that represents a percentage of the total costs for which you are billing the contract customer.

Contract Amount and Contract Tolerance	If you want to define a ceiling at the activity level, type the maximum amount for which the activity can be billed in the Contract Amount field. You can also type an amount in the Contract Tolerance amount field to indicate by what amount this ceiling can be exceeded.
Taxable, Tax Code	Select "T" if the activity is taxable, or "E" if it is tax exempt. If you select "T," specify a Tax Code to use to calculate tax.
	NOTE You can not specify tax rules and a service location. If you select a Service Location, do not use these fields.
	NOTE The values specified here will override the tax information defined for the customer on Customer (BR11.1).
Service Location	Select the service location for the activity. Service locations are defined on Service Location (BR16.1) and are used to calculate tax amounts on the invoice.
	NOTE You can not specify tax rules and a service location. If you select a Service Location, do not use Taxable and Tax Code fields.
	NOTE The values specified here will override the tax information defined for the customer on Customer (BR11.1).
To define billing inform activity, choose the Do this subform to overric Consider the following	nation for a specific account category within the etail button to access Billing Detail (BR00.2). Use de billing information for specific account categories. g fields.
Activity	Select the contract, summary, or posting activity for which you are defining billing information.
Acct Cat or Sum Acct	Select an account category, summary account category, or contract category group associated with the activity to which transactions are posted.

Billing Mth Select the billing method to be used for t	
-	account category, summary account category, or
	contract category group you selected above.

3.

Billing Rate	If you are using time and materials billing, select T (Table) or R (Resource) to tell the application where to look for the billing rate.
Mark up Percent	If you are using time and materials, cost plus, or pass-thru billing, type a markup percent for calculating activity billing.
	NOTE This markup percent overrides the amount you defined on Override Account Categories (AC06.1).
Ceiling Amt and Tolerance Amt	If you want to define a ceiling at the account category level, type the maximum amount for which the account category can be billed in the Ceiling Amt field. You can also type an amount in the Tolerance Amt amount field to indicate by what amount this ceiling can be exceeded.
Select More to specify using Additional Inform will override any speci BR00.1). Consider the	tax calculation information for the account category nation (BR00.4). The values selected on BR00.4 fied for the customer (on BR11.1) or activity (on e following fields.
Percent Billable	You can enter a value that represents a percentage of the total costs for which you are billing the contract customer.
Taxable, Tax Code	Select Taxable (T) if the activity is taxable, or Exempt (E) if it is tax exempt. If you select Taxable, specify a Tax Code to use to calculate tax.
	NOTE You cannot specify tax rules and a service location. If you select a Service Location, do not use these fields.
Service Location	Select the service location for the activity. Service locations are defined on Service Location (BR16.1) and are used to calculate tax amounts on the invoice.
	NOTE You cannot specify tax rules and a service location. If you select a Service Location, do not use Taxable and Tax Code fields.

4.

Follow-up Tasks

For more information, see Billing and Revenue Management User Guide.

- After defining billing parameters, regardless of the billing method you selected, you can set up retainers, retention parameters, and fee billing parameters.
- You can define a ceiling amount.
- Based on the billing method you selected, perform the additional tasks as described in the following table.

If your billing method is	Follow-up tasks to perform
Cost Plus Billing	Assign a labor category.
Pass Thru Billing	There are no required follow-up tasks that are specific to pass thru billing.
Time and Materials Billing	Define a resource rate or define a billing category rate table.
Milestone Billing	Define activity milestones.
Units of Production Billing	Define a units of production rates table.
User-Defined Billing	Create a billing routine in user-defined library.

Chapter 6

Setting Up an Award in Grant Management

This chapter explains setting up an award in Lawson Grant Management. You begin the award setup process when your organization receives an award notification, often a Notice of Grant Award, from a sponsor.

Before you access Award (GM01.1) and set up a new award, you must complete general setup in Grant Management. The grant setup tasks include creating reusable institution profiles, location profiles (if applicable), and Grant Management codes specific to your organization that identify other award data.

To set up an award, you complete the following procedures:

- · Enter specific details of the award
- Set up cost sharing parameters
- Set up program income parameters
- Assign employees to the award
- · Assign subcontractors to the award, if applicable
- Identify award protocols
- Identify award deliverables

STOP Before you can set up an award in Grant Management define grant activities in Project Accounting, and set up contracts in Billing and Revenue Management.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 117. The following concepts provide background and conceptual information for the procedures within this chapter.

- "What are Grant Management Codes?" on page 114
- "Can I Upload Award Information to Grant Management from a Pre-Award System?" on page 114
- "What are Award Deliverables?" on page 115
- "What Is Cost Sharing?" on page 115
- "What Is the Impact of Reorganization on Cost Share Records?" on page 116

What are Grant Management Codes?

Grant Management codes let your organization define your own unique values for award-related data. After you define your codes, the values you entered are available as options in fields on the forms you use to set up an award. You can identify the following types of codes to associate with grants:

- Award Types (AW)
- Business Line (BU)
- Cost Transfer Reason Code (CT)
- Deliverable (DE)
- Division (DI)
- Department (DP)
- Protocol (PC)
- Project Type (PJ)
- Prime Sponsor (SP)
- Protocol Status (ST)

Can I Upload Award Information to Grant Management from a Pre-Award System?

You can use existing 500 series forms in Lawson to interface activities, employees, customers, budgets, and general ledger data from non-Lawson systems.

You can also upload information into Grant Management using Lawson Add-ins for Microsoft® Office Upload Wizard. For information about Lawson Add-ins, see *Getting Started with Lawson Add-ins for Microsoft*® Office.

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Agencies awarding grants may require research institutions to deliver products of the project. Grant personnel may be responsible for deliverables such as invention reports, technical reports, equipment reports, patent disclosure reports, or other deliverables defined by the sponsor.

In Grant Management, you can define deliverable codes, match deliverables to a grant during award setup, and track the assignment and completion of award deliverables through the life of the grant project.

What Is Cost Sharing?

Not all costs are completely covered by all grants. Cost sharing occurs when a percentage of the amount spent on research is paid for by the organization conducting the research. There are three types of cost sharing: mandatory, committed, and uncommitted.

- Mandatory cost sharing specifies an organization's contribution to a sponsored project that is required by the terms of the project. For example, the National Science Foundation requires a one percent cost share. This means the grant recipient is required to fund one percent of the project's costs.
- Committed cost sharing occurs when the research organization commits to sharing a portion of the research costs within the grant proposal. For example, an organization may commit the effort of a researcher whose salary will not be charged against the award.
- Uncommitted cost sharing occurs when the research organization must pay for a portion of a project's cost. These are costs that are not covered by the grant and also were not specified as paid for by the research organization in the proposal. For example, if a researcher spends more time on the project than is committed or charged, or a salary cap is exceeded.

For a cost sharing example, see "What Factors Impact Project Accounting Structures for Grant Management?" on page 21.

What Is the Impact of Reorganization on Cost Share Records?

When you run Level Reorganization (AC120) on posting-level sponsored activities, you should be aware of the following impact on cost share records.

- If cost share records have been defined on Cost Sharing (GM01.2) for a sponsored activity that is being reorganized under a different contract, new cost share records will be created with the new contract activity, provided that:
 - the new contract activity is defined as an Award activity on Activity (AC10.1), and
 - contract parameters exist on Contract Parameters (BR10.1) for the new contract.

If a new cost share records cannot be created because one of these two conditions is missing, or the sponsored activity was not reorganized under a new *contract* activity, the exception report will identify the records that were not recreated.

 If the cost share activity defined on GM01.2 is reorganized, the Grant Management cost share records are not recreated because Grant Management does not require that a cost share activity be a child of the contract activity specified in the setup.

Procedures in this Chapter

Use the following procedures to set up an award in Grant Management.

- "Defining Grant Management Codes" on page 117
- "Defining Institution Profile and Location" on page 118
- "Setting Up an Award" on page 119
- "Defining Award Personnel" on page 123
- "Defining Award Subcontractors" on page 125
- "Setting Up Award Protocols" on page 125
- "Setting Up Cost Sharing" on page 126
- "Setting Up Program Income" on page 129
- "Setting Up Award Deliverables" on page 129
- "Changing an Award" on page 130

Defining Grant Management Codes

When you set up an award in Grant Management, you will enter information to identify award details such as the type of project the award is for. Award details can be specific to your organization. You must define your grants codes before you can complete any award setup.

Use Codes (GM02.1) to identify the following types of codes associated with grants: award types (AW), transfer reason codes (CT), business lines (BU), deliverables (DE), divisions (DI), departments (DP), protocols (PC), project types (PJ), prime sponsors (SP), and protocol statuses (ST). After you define codes, the variables you created for each code become options in their related field on Award (GM01.1). The codes you defined can be used on multiple awards.

STEPS To define grant management codes

- 1. Access Codes (GM02.1).
- 2. Select a category of codes you want to define in the Type field.
- 3. Create the codes. Consider the following fields.

Code	Type the code you want associated to the code type you selected in the Type field. The code can be alpha or numeric, up to 10 characters long.
Description	Type a description of the code.

- 4. When you have finished creating codes for the category you chose in the Type field, click Add.
- 5. To define other types of codes, repeat steps 2 though 4.

Related Reports and Inquiries

То

Use

Print a list of all codes and descriptions

Code Listing (GM202)

Defining Institution Profile and Location

When you set up an award in Grant Management, you will associate the award with the organization, or an internal department or division receiving the grant award. Use Institution Profile (GM00.1) to define and maintain descriptions of organizations, internal departments, or divisions. Institution profiles include name, address, contact, and telephone information. Once created, you can use institution profiles for multiple awards.

Your organization may have multiple locations. You can also associate an award with a location. Use Institution Location Profile (GM00.2) to define and maintain location profiles. Location profiles include name, address, contact, and telephone information. Once created, you can use location profiles for multiple awards. Use of Institution Location Profile (GM00.2) is optional.

STEPS To define an institution profile

- 1. Access Institution Profile (GM00.1).
- 2. Define the organization, department, or division that will be associated with an award or awards. Consider the following fields.

Institution	Required. Type or choose a code for the institution (organization, department, division). The code identifies the institution receiving an award.
Institution Name	Required. Type the name of the institution (organization) receiving an award.
Legal Name	Type the institution's legal name. The legal name is used on the Financial Status Report (GM269) and Federal Cash Transaction Report (GM272).
Address Code	Choose an address code. (Address codes are set up on Address Codes (IF00.1). The address code is used on the Financial Status Report (GM269) and Federal Cash Transaction Report (GM272).
Contact	Type the name of the primary contact person at the institution.
E-mail	Type the primary contact person's e-mail address.
EIN	Type the institution's employer identification number (EIN). The EIN is used on the Financial Status Report (GM269) and Federal Cash Transaction Report (GM272).

STEPS To define an institution location profile (optional)

- 1. Access Institution Location Profile (GM00.2).
- 2. Define the location information. Consider the following fields.

Institution	Required. Type or choose a code of an institution you defined on Institution Profile (GM00.1).
Location	Type or choose a location code to identify the location receiving the award.
Location Description	Type a description of the location.
Legal Name	Type the location's legal name. The legal name is used on the Financial Status Report (GM269) and Federal Cash Transaction Report (GM272).
Address Code	Choose an address code. (Address codes are set up on Address Codes (IF00.1). The address code is used on the Financial Status Report (GM269) and Federal Cash Transaction Report (GM272).
Contact	Type the name of the primary contact person at the location.
E-mail	Type the primary contact person's e-mail address.
EIN	Type the location's employer identification number (EIN) if it is different from the institution's number.

Related Reports and Inquiries

То	Use
Print a list of all institutions and locations	Institution Listing (GM200)

Setting Up an Award

To set up an award in Grant Management, you enter process information relating to the organization completing the research, the type of project, sponsor information, and key dates associated with the award, such as the award start and close dates. **STOP** You must define a grant activity or activities, an institution profile, and grant codes before you can set up an award.

STEPS To set up an award

1. Access Award (GM01.1).

2. Choose the grant activity in the Activity field. The activity must be set as an award (the Award field is Yes on Activity (AC10.1), Award page).

3. Define the award information. Consider the following fields.

Institution	Choose the institution the award belongs to.
Location	If a location exists, choose the location that the award belongs to.
Division	Choose the code for the division the award belongs to. You define division codes for code type DI on Codes (GM02.1).
Department	Choose the code for the department the award belongs to. You define department codes for code type DP on Codes (GM02.1).
Project Type	Choose the code that identifies the type of project or activity. For example, research grant, contract, or clinical trial. You define project type codes for code type PJ on Codes (GM02.1).
Award Type	Choose the code that identifies the type of award. For example, new, non-competing, or continuation. You define award type codes for code type AW on Codes (GM02.1).
Business Line Type	Choose the code that identifies the line of business, for example, research or instruction. You define business line type codes for code type BU on Codes (GM02.1).

NOTE An award can be defined for any level of activity.

Principal	This display-only field displays the Principal
Investigator	Investigator, who is assigned on Award Personnel
	(GM03.1).

- 4. Access the Sponsor page.
- 5. Define the sponsor information. Consider the following fields.

Direct Sponsor	Type or choose the Accounts Receivable company of the direct sponsor.
	Type or choose the customer identifier of the direct sponsor.
	A direct sponsor is an organization that engages an institution to work on a grant or research project. If your organization is a subcontractor on a grant or research project, the direct sponsor is the organization that funds you as a subcontractor, and the prime sponsor is the agency that funds the direct sponsor. Be sure to enter the prime sponsor information in the Prime Sponsor fields or the Prime Sponsor Code field.
Direct Sponsor Award Number	Type the direct sponsor's award number.
Prime Sponsor	Type or choose the Accounts Receivable company associated with the prime sponsor. If the grant has only one sponsor, such as NIH, you can leave the Prime Sponsor or Prime Sponsor Code fields blank. Grant Management uses the direct sponsor information to print on reports.
	Type or choose the customer identifier of the prime sponsor. This could be different than the billing sponsor, which would be attached to the contract information.
	If the prime sponsor is not an Accounts Receivable customer, use a prime sponsor code in the Prime Sponsor Code field.
	A prime sponsor is an agency that awards a grant or funds a research project, such as NIH. If your organization is a subcontractor on a grant or research project, the prime sponsor is the agency that funds your direct sponsor.

Prime Sponsor Code	If the prime sponsor is not an Accounts Receivable customer, choose the code for the prime sponsor. You can define Prime Sponsor codes for code type SP on Codes (GM02.1). If the grant has only one sponsor, such as NIH, you can leave the Prime Sponsor or Prime Sponsor Code fields blank. Grant Management uses the direct sponsor information to print on reports.	
Prime Sponsor Award Number	Type the prime sponsor's award number.	
CFDA Number	Type the number assigned to a Federal program in the Catalog of Federal Domestic Assistance (CFDA).	
	The CFDA is a government-wide compilation of Federal programs, projects, services, and activities which provides assistance or benefits to the American public.	
Material Transfer Agreement	Choose Yes or No to indicate if a Material Transfer Agreement (MTA) is needed. The default is No.	
	This field is informational only.	
	An MTA document defines the terms and conditions for transferring proprietary material or information about a particular project to or from the FDA.	

- 6. Access the Dates page.
- 7. Define the date information. Consider the following fields.

Award Proposal	Type the date the award proposal is submitted.	
Award Notice	Type the date the Notice of Grant Award (NOGA) is received.	
Award Receipt	Type the date the award money is received.	
Estimated Award Close	Type the estimated or expected close date for the grant.	
Actual Award Close	This field is display only. It is updated by a status change (to purge or inactive) on the grant activity.	
	If the activity is later reopened, the close date is not removed. If the activity is then closed again, the first Actual Award Close date remains.	

Related Reports and Inquiries

То

Use

Print a list of all awards and details Award Listing (GM201)

Defining Award Personnel

NOTE Assigning award personnel is the same as using the roles functionality (Roles (AC03.8)) in Project Accounting. If you already assigned roles to the grant activity using Role Assignment (AC03.7), you do not need to repeat the action by setting up personnel on Award Personnel (GM03.1). You can use Award Personnel (GM03.1) to identify employees who have key roles for the award. Examples of award personnel include: Principal Investigator (PI), co-PIs, grant administrator, and researchers. PI is an important role to define, as it prints on several Grant Management reports and determines routing in some ProcessFlow processes.

You can select personnel for an award by activity. You can assign personnel to a posting, contract, or summary level activity. The application starts at the posting level and reads up the activity structure to find personnel. For example, if you have several posting activities under a contract activity and they all have the same PI, you can assign the PI to the contract activity.

You can assign ownership percentages and/or committed percentages to individual role/employees. These numbers are for display on various reports.

- The Ownership percentage represents the amount of responsibility an employee has for the activity.
- The Committed Effort represents the overall percentage of an employee's
 effort committed to a project/grant. It differs from the planned effort in that
 planned effort can vary over the life of a grant, depending on the pace of
 the project. However, by the end of the project, planned and actual effort
 for the grant should equal or exceed the committed effort.

Committed effort should remain constant through the life of a grant, unless renegotiated with the awarding sponsor.

STEPS To define award personnel

STOP Before you can assign an employee to an award, he or she must be defined on Employee (HR11.1).

- 1. Access Award Personnel (GM03.1).
- 2. Choose the grant activity. This can be a summary, contract, or posting level activity, but the activity must be set as an award (the Award field is Yes on Activity (AC10.1), Award page).
- 3. Assign personnel to the grant activity. Consider the following fields.

Role	Choose a role to associate with the grant activity. You define roles on Roles (AC03.8).	
Co (company)	Choose the Human Resources company associated with the employee.	
Employee	Choose or type the employee you are assigning the role to.	
Committed Effort	Type the percentage of effort committed to this project/grant for this employee. This number should remain constant through the life of the grant unless renegotiated with the awarding sponsor.	
Percent Ownership	This field is information only. Type the amount of responsibility this employee has for the grant or project. In the case of co-PIs, you can enter the percent ownership for the co-PI.	
Conflict	Choose Yes or No to indicate if this employee has a conflict of interest. This field is for informational purposes only.	
	An employee has a conflict of interest when he or she has a significant financial interest in the outcome of the project and is in a position to profit substantially.	

Investigators at multiple institutions often collaborate on research projects. If the award includes work that will be subcontracted out to other institutions, you can use Award Subcontractors (GM03.2) to assign subcontractors to a grant activity.

You can select subcontractors for an award by activity. In other words, you can assign subcontractors to a posting, contract, or summary level activity. The application starts at the posting level and reads up the activity structure to find subcontractors. For example, if you have several posting activities under a contract activity and they all have the same subcontractor, you can assign the subcontractor to the contract activity.

IMPORTANT If you want to use subcontractor purchase orders in the Purchase Order application, you must set up subcontractors on Award Subcontractors (GM03.2).

STEPS To define award subcontractors

STOP Before you can assign a subcontractor for an award, the subcontractor must be defined on Vendor (AP10.1).

- 1. Access Award Subcontractors (GM03.2).
- 2. Choose the grant activity. This can be a summary, contract, or posting level activity, but the activity must be set as an award (the Award field is Yes on Activity (AC10.1), Award page).
- 3. Assign subcontractors to the grant activity. Consider the following fields.

Co	Choose the Accounts Payable company for the vendor you want to associate with the grant activity.
Vendor	Choose the subcontract vendor to associate with the grant activity.

Setting Up Award Protocols

Agencies awarding grants require research institutions to provide assurances that the human and animal subjects used in the research are treated in an acceptable manner. These assurances come in the form of research protocols. For example, your institution may have protocols for IRB (Institutional Review Board), IACUC (Institutional Animal Care and Use Committee), or IBC (Institutional Bio-safety Council). Protocols vary by organization. You define protocols prior to award setup by creating codes

for the code type PC on Codes (GM02.1). You can use Award Protocols (GM03.3) to assign protocols to a grant activity.

STEPS To set up award protocols

STOP Before you can enter protocols for an award, you must have Protocol and Protocol Status codes defined for code types PC and ST on Codes (GM02.1)

- 1. Access Award Protocols (GM03.3).
- 2. Choose the grant activity. The activity must be set as an award (the Award field is Yes on Activity (AC10.1), Award page).
- 3. Assign protocols to the grant activity. Consider the following fields.

Code	Choose the code that identifies the protocol. You define protocol codes for code type PC on Codes (GM02.1).	
Number	Type the protocol number.	
Exp Date	Type or choose the protocol expiration date.	
Status	(Optional) Choose the code that identifies the protocol status. You define protocol status codes for code type ST on Codes (GM02.1).	
Approver	(Optional) Choose an approver for the protocol.	
Date	Type or choose the issue date of the protocol.	

Related Reports and Inquiries

То	Use
Print a list of all protocols that are about to expire	Award Protocol Alert Report (GM203)

Setting Up Cost Sharing

Not all costs are completely covered by all grants. For some grants, the contract requires that a percentage of the amount spent on the research is paid for by the organization completing the research. This is called cost sharing.

To track each of the cost share types (mandatory, committed, or uncommitted), you can use one or more posting activities within the grant activity structure. Cost Sharing (GM01.2) maps cost share activities to the grant activities. When you set up cost sharing in Grant Management, you specify the type of cost sharing and whether or not the cost share will be include in standard reporting for Federally funded grants, such as the Effort Report or the SF269 Financial Status Report.

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Need More Details? Check out the following concepts:

- "What Is Cost Sharing?" on page 115
- "What Is the Impact of Reorganization on Cost Share Records?" on page 116

STEPS To set up cost sharing

- 1. Access Cost Sharing (GM01.2).
- 2. Choose the contract activity for the grant. The activity must be set as an award (the Award field is Yes on Activity (AC10.1), Award page).

3. Map the cost share activity (or activities) to the grant contract activity. Consider the following fields.

Contract Activity	Type or choose the contract activity for which cost sharing is defined.	
Cost Share Activity	Type or choose the posting activity that is the cost share activity. This must be a posting level activity, however, it does not have to be under the contract activity.	
Туре	 Choose the type of cost sharing: Mandatory (M) Committed (C) Uncommitted (U) NOTE This field is for informational purposes only and is not used for any processes in Lawson.	
Effort	Choose Yes or No. If you choose Yes, the cost share activity is used for Effort Reporting on Effort Certification (GM65), Effort Certification Report (GM165) and Effort Variance Report (GM465).	
GM269	Choose Yes or No. If you choose Yes, the cost share activity is tracked and amounts appear on Financial Status Report (GM269).	
Invoice	Choose Yes to track cost sharing and print the current invoice amount and the life to date amount on the invoice.	
	NOTE Amounts only print on the customized invoice format, not on the standard invoice.	
Sponsored Activity	Choose the original funded activity that this cost share activity is associated with. This field is required if you chose Yes in the Effort field. The activity will be included in the Effort Report and the related cost share activity prints below it. NOTE The sponsored activity must be under the	
	contract activity at the top of this form.	
Percent	(Optional). Type the percent of cost share proposed for this activity. If this is mandatory or committed cost share, enter the percent committed. This is for informational purposes only.	

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Setting Up Program Income

Program income is often anticipated and can be planned for in the structure of a grant activity. You associate the activity and program income posting activity on Program Income (GM01.3). As program income is earned, revenue will be generated and can be tracked in the program income activity.

STEPS To set up program income

- 1. Access Program Income (GM01.3).
- 2. Choose the contract activity for the grant. The activity must be set as an award (the Award field is Yes on Activity (AC10.1), Award page).
- 3. Map the program income activity to the contract activity. Consider the following fields.

Income Activity	Choose or type the program income activity. This must be a posting level activity, however it does not have to be under the contract activity.	
Туре	Choose the type of program income:	
	 Additive (A)—Program income generated on a project that is available in addition to the amount of funding provided by the project sponsor. 	
	 Deductive (D)—Program income generated on a project that reduces the amount available from the sponsor. 	
	NOTE This field is informational only. Budget and contract amounts must be updated manually for program income received.	
Invoice	Choose Yes to track program income and print the current invoice amount and the life to date amount on the invoice.	
	NOTE Amounts only print on the customized invoice format, not on the standard invoice.	

Setting Up Award Deliverables

Agencies awarding grants may require research institutions to deliver products of the project. For example, your institution may have to provide a research report or an invention report. You define deliverables prior to the award setup on Codes (GM02.1). You can use Award Deliverables (GM04.1) to add deliverables to a grant activity and to track the assignment and completion of deliverables.

STEPS To set up award deliverables

STOP Before you can enter deliverables for an award, you must have the Deliverable code defined for code type DE on Codes (GM02.1)

- 1. Access Award Deliverables (GM04.1).
- 2. Choose the grant activity. The activity must be set as an award (the Award field is Yes on Activity (AC10.1), Award page).
- 3. Assign deliverables to the grant activity. Consider the following fields.

Code	Choose the code that identifies the deliverable required by the award sponsor. You define deliverable codes for code type DE on Codes (GM02.1).
Co Type or choose the Human Resources com for the employee responsible for the deliver	
Responsible Person Employee	Type or choose the employee identification of the person responsible for the deliverable.
Due Date	Type or choose the date the deliverable is due to the award sponsor.
Delivered Date	Type or choose the date the deliverable was submitted to the award sponsor. All deliverables must have a delivered date entered before the award can be closed.
User ID	Displays the login ID of the user who updates the Delivered Date field.

Related Reports and Inquiries

10	Use
Print a list of all deliverables that are	Award Deliverables Alert Report
due or about to become due	(GM204)

Changing an Award

Changes to a grant or an award can originate within the funded institution (from the principal investigator (PI)), or from the sponsor providing the award. The following table lists changes you may make and the forms you can use to make the changes.

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То	Use
Change personnel or resources assigned to an award	Award Personnel (GM03.1) or Role Assignment (AC03.7) for HR employees
Store resource assignment history	The Resource Assignment History option on Activity Group (AC00.1), History page (You can see the resource history by choosing the History option when you run Resource Assignment Listing (AC203))
Change the roles assigned to personnel or resources	Delete existing assignments, then delete the role on Roles (AC03.8). Add the new role on AC03.8, and then add the new assignments.
Change the grant activity dates	Activity dates at the activity and activity group level (You can view the history by choosing the History option when you run activity and activity group listing reports, such as Activity Listing (AC210) or Activity Group Listing (AC200))
Change period of performance date ranges	Period of performance date ranges at the activity and activity group level (You can view the history by choosing the History option when you run activity and activity group listing reports, such as Activity Listing (AC210) or Activity Group Listing (AC200))
Change award budgets	Standard change order or budget functionality on the activity or activities (For more information, see <i>Project Accounting</i> <i>User Guide</i>)
Track changes to awarded amounts and dates with an audit trail	Contract modifications in Billing and Revenue Management (For more information, see <i>Billing and Revenue</i> <i>Management User Guide</i>)

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Chapter 7

Setting Up Labor Distribution and Salary Encumbrance

This chapter explains setting up labor distribution and salary encumbrances in Lawson Grant Management. A large portion of the total award amount an organization receives from a sponsor is used to pay the staff assigned to complete the work funded by the grant. Setting up labor distribution templates will let you create salary encumbrances, or commitments, for amounts that will be paid to an employee over the life of the grant. You also use the labor distribution templates to create distributions of actual salary expenses to grants and departments for employees working on them.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 148.

The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Is Labor Distribution?" on page 135
- "What Are Salary Encumbrances?" on page 136
- "What Are Fringe Encumbrances?" on page 137
- "What Setup is Required in Lawson Human Resources for Labor Distribution and Salary Encumbrances?" on page 138
- "What Are Labor Distribution Templates?" on page 140
- "What Is a Salary Cap Schedule?" on page 140
- "How Does Grant Management Handle Salary Cap Violations?" on page 141
- "What Happens When I Release Labor Distribution Lines?" on page 145
- "How Do I Approve Labor Distribution Templates?" on page 146
- "What Happens When I Approve Labor Distribution Lines?" on page 147

Employees may work on projects from multiple funding sources, including more than one grant activity. You can use labor distribution to accurately charge salary expenses based on the time and effort employees spend on various projects.

Labor distribution is the process of charging percentages of an employee's salary to the grants activities and specific general ledger accounts (departments) that fund the employee's salary when payroll is processed.

During the payroll cycle, labor distributions are applied to employee time records. This functionality lets you create one time record per employee and have the employee's actual earnings from that time record automatically charged to the grant activities and general ledger accounts in the labor distribution template that is in effect for the time record.

For labor distribution to occur, you must complete the following setup steps:

- Set the Human Resources employee record for labor distribution on Grant Management (HR11.3).
- Assign a labor distribution template to the employee. You create a labor distribution template for an employee, pay code, job code, or position and effective date. The distribution lines are approved by a manager or Principal Investigator (PI). Finally, when you complete the payroll cycle (by running Payroll Close (PR197) for Lawson Payroll or Non-Lawson Payroll Tran Import (GM500) for non-Lawson payroll), the program uses employee time records to charge actual wages to grant activities and/or general ledger accounts you identified in the labor distribution template.

Example

Bill is a lab technician with an annual salary of \$60,000. He is paid monthly through payroll, with a separate pay period for each calendar month of the year. Bill makes \$5,000 per pay period.

Bill works concurrently on two grants. Bill spends 80 percent of his time on grant A, and 20 percent of his time on grant B. The following table illustrates the labor cost transaction amounts for Bill for the first quarter of the year.

Pay Period	Activity	Account Category	Labor Distribution
1 (January)	Grant A	Labor	\$4,000
1 (January)	Grant B	Labor	\$1,000
2 (February)	Grant A	Labor	\$4,000
2 (February)	Grant B	Labor	\$1,000
3 (March)	Grant A	Labor	\$4,000
3 (March)	Grant B	Labor	\$1,000

Salary encumbrances are commitments for labor that are not yet actual, or have not yet been incurred. You can encumber salaries on grants to assist in planning expenditures over the life of the grant.

Encumbered salaries reduce the amount of available budget, which makes automatic budget edits more accurate. When you process payroll, the salary encumbrance for each grant is reduced and the actual salary cost for the pay period is incurred. This allows you to accurately track encumbered salaries, actual salaries, and available budget at any point during the life of the grant award.

To create commitments for labor, you must assign a labor distribution template to the employee. You create a labor distribution template for an employee and optionally for a pay code, job code, or position. The distribution lines are approved by a manager or Principal Investigator (PI). Finally, you run Salary Encumbrance Processing (GM110) to create the commitment transactions.

Salary encumbrances are relieved when the payroll cycle is closed and labor distribution transactions are posted in Project Accounting and General Ledger.

You usually need to create encumbrances at the following times:

- At the start of a funding period
- When you hire new employees
- When you reassign employees to different grants
- When other changes in funding or employee status occur

Example

Noel is a Principal Investigator (PI) with an annual salary of \$120,000. She is paid monthly through payroll, with a separate pay period for each calendar month of the year. She makes \$10,000 per pay period.

She works concurrently on two grants. Grant A will pay 75 percent of her salary in 2004, and grant B will pay 25 percent. The following table illustrates the expected salary encumbrance amounts for Noel for the first quarter of 2004.

Pay Period Start Date	Pay Period End Date	Grant	Salary Encumbrance
01/01/2004	01/31/2004	А	\$7,500
01/01/2004	01/31/2004	В	\$2,500
02/01/2004	02/29/2004	A	\$7,500
02/01/2004	02/29/2004	В	\$2,500
03/01/2004	03/31/2004	А	\$7,500
03/01/2004	03/31/2004	В	\$2,500

Fringe encumbrances are commitments for fringe costs. Encumbered fringe reduces the amount of available budget, which makes automatic budget edits more accurate.

A fringe encumbrance rate is a percent that is used to calculate the fringe commitment based on an employee's encumbered wages.

Fringe encumbrances are relieved when the payroll cycle is closed and labor distribution transactions are posted in Project Accounting and General Ledger.

Example

Noel is a Principal Investigator (PI) with an annual salary of \$120,000. She is paid monthly through payroll, with a separate pay period for each calendar month of the year. She makes \$10,000 per pay period.

She works concurrently on two grants. Grant A will pay 75 percent of her salary in 2004, and grant B will pay 25 percent. The fringe encumbrance rate for each grant is 50 percent. The following table illustrates the expected fringe encumbrance amounts for Noel for the first quarter of 2004.

Pay Period Start Date	Pay Period End Date	Grant	Salary Encumbrance	Fringe Encumbrance
01/01/2004	01/31/2004	А	\$7,500	\$3,750
01/01/2004	01/31/2004	В	\$2,500	\$1,250
02/01/2004	02/29/2004	А	\$7,500	\$3,750
02/01/2004	02/29/2004	В	\$2,500	\$1,250
03/01/2004	03/31/2004	А	\$7,500	\$3,750
03/01/2004	03/31/2004	В	\$2,500	\$1,250

Where Do I Set Up Fringe Encumbrance Rates?

You can set fringe encumbrance rates in three places:

 In the employee file on Grant Management (HR11.3). If fringe encumbrance rates are determined by employee (same rate across multiple grants), then you should create a default rate on HR11.3.

-or-

In the activity file on Activity (AC10.1). If fringe encumbrance rates are determined by activity, then you can define a default activity fringe encumbrance rate on the grant activity (or one of its parent activities) on Activity (AC10.1), Award page. When distribution lines are created on Labor Distribution Template Entry (GM10.2), any fringe encumbrance information from the activity file defaults in.

-or-

• In a labor distribution detail record on Labor Distribution Template Additional Information (GM10.3). You can define a rate or override a rate that defaults in from the activity by typing the new rates into the Fringe Encumbrance Overrides fields.

What Setup is Required in Lawson Human Resources for Labor Distribution and Salary Encumbrances?

Grant Management requires the Lawson Human Resources application for basic employee information, including the salary and benefit information for the grant employees. If an employee does not exist in Lawson Human Resources, they cannot be assigned to a grant and you cannot create labor distribution or salary encumbrances, or report effort for them.

Once the employee exists, the amount of information the Human Resources and payroll applications provide to Grant Management depends on the choices you make on Company (HR00.1) and Employee (HR11.1). The options include:

- If employer-paid expenses are charged to the grant
- If an employee is eligible for labor distribution
- If an employee is eligible for salary encumbrances
- If an employee is eligible for effort reporting

Company (HR00.1) Setup for Grants

Some grants allow institutions to charge the cost of fringe, or employer-paid expenses, to the grant. You can use burdens, allocations, or fringe encumbrances to calculated fringe. If you use fringe encumbrances, you can set this option at the Human Resources (HR) company level on Company (HR00.1). For more information, see "How Can I Handle Fringe Costs?" on page 26.

Employee (HR11.1) Setup for Grants

You set up grant employees like any other employee in the Human Resources application on Employee (HR11.1). For grants-specific setup on the employee record, access Grant Management (HR11.3) by clicking the Grant Management link on the Pay page of HR11.1.

On Grant Management (HR11.3), you can enable labor distribution, salary encumbrance, and effort reporting for the employee.

- Labor distribution is set individually for each employee on Grant Management (HR11.3). If you choose Yes in the Labor Distribution field, the employee's time records are eligible for labor distribution during Payroll Close (PR197) or Non-Lawson Payroll Transaction Import (GM500). If the Labor Distribution field is set to No, normal payroll distribution occurs.
- Salary encumbrances are set for each employee on Grant Management (HR11.3). If you choose Yes in the Salary Encumbrance field, the employee's labor distribution records are eligible for salary (and optionally, fringe) encumbrances during Salary Encumbrance Processing (GM110). You can enter fringe information to allow for encumbering fringe amounts in addition to salary amounts.
- Effort Reporting is set individually for each employee on Grant Management (HR11.3). If you choose Yes in the Effort Reporting field, the employee's time records are eligible for effort distribution during Payroll Close (PR197) or Non-Lawson Payroll Transaction Import (GM500). You must also choose an effort currency and identify at least the primary certifier (and, optionally, the secondary certifier) of the effort records.

NOTE The primary and secondary certifiers do not have to belong to the same HR company as the employee.

If the Effort Reporting field is set to No, effort distributions are not recorded. You can use effort distributions to calculate effort percentages for each employee and effort reporting period on Effort Calculation and Certification Report (GM165).

What Are Labor Distribution Templates?

Labor distribution templates are the basis for creating salary and fringe encumbrances during salary encumbrance processing and labor distribution and effort during payroll processing. The labor distribution template stores percentage splits to indicate how an employee's salary should be distributed to grant activities or general ledger accounts (departments). You can create labor distribution templates by employee, pay code, job code, or position.

Each labor distribution template has an effective date. The template can have multiple distribution lines. Each line can have a different end date to identify when the distribution is no longer effective (for example, the grant end date). Each line identifies the percentage of the employee's salary to be charged to a grant activity or general ledger account. You can also create fringe encumbrances and planned effort percentages for effort reporting from the templates, if applicable.

You use labor distribution templates to:

- Encumber earnings during salary encumbrance processing.
- Drive payroll distribution transactions during payroll processing.
- Create effort distributions during payroll processing.

Employee salaries can be funded by multiple grants with varying start and end dates. Sometimes a portion of an employee's salary is covered by discretionary funds or other institutional sources. Managers need to monitor employee labor distribution records to ensure that salaries are funded at all times. Because labor distribution end dates can be varied, you need to closely track distribution detail lines that are about to expire. The Labor Distribution Expiration Report (GM410) identifies labor distribution records according to their end dates.

What Is a Salary Cap Schedule?

A salary cap schedule consists of a name, currency, type, and one or more annual salary cap amounts with effective dates.

Salary cap schedules are assigned to posting grant activities that are subject to salary caps. When a salary cap is reached for an employee and activity (grant), the system issues a warning on labor distribution templates and reports and you can get the system to automatically recalculate the distribution percentages on the labor distribution template, cap the employee's salary percentage for the grant at the allowed percentage, and create an overage distribution line on the template to hold the overage amount.

When you define a posting activity, you indicate whether to use the salary cap amount in effect on the activity's start date or whether to use the newest, active salary cap amount in the salary cap schedule.

How Does Grant Management Handle Salary Cap Violations?

Funding agencies can limit the amount of employee salary that can be charged to a grant. If an employee's annual earnings are more than the annual salary cap set forth by the agency, the excess salary cannot be charged to the grant and must be assumed by the grant's recipient.

To enforce a salary cap, you must enable the Salary Cap option and assign a salary schedule to the grant on Activity (AC10.1). On AC10.1, you must also indicate whether the salary cap to be used is the salary cap in effect at the time the grant is created or the most current salary cap in the schedule. When checking for salary cap violations, the system obtains the appropriate salary cap amount from the salary schedule.

On AC10.1, you can also select an overage activity and account category, an overage GL account, and an overage user analysis to which the overage (excess) salary should be charged.

When you add or update a distribution line on Labor Distribution Template Entry (GM10.2), the system checks if salary cap is enabled for the activity (grant). If it is enabled, the system finds the salary cap in effect. If the salary for the line exceeds the salary cap, a warning appears for the distribution line. You can then execute the Salary Cap action to recalculate the salary percentage allowable for the grant and create an overage distribution line to hold the non-allowable portion of the salary.

If the overage line GL account, activity, account category, and user analysis are defined on AC10.1, these values are used for the overage line. If the GL account and user analysis values are not defined on AC10.1, the values on the originating distribution line are used. If the overage activity is not defined on AC10.1, no activity or account category is used on the overage line. If the overage activity is defined on AC10 without an account category, the overage line will use the account category on the originating distribution line.

You can view the calculation detail on Labor Distribution Template Entry Salary Cap (GM10.5), which you access from GM10.2.

Other Methods to Monitor Salary Cap Violations

The system automatically checks for salary cap violations and generates alerts on Labor Distribution Template Entry (GM10.2), Labor Distribution Template Approval by Employee (GM11.1), Labor Distribution Template Approval by Activity (GM11.2), and Labor Distribution Template Approval (GM11.4). However, you can only apply the salary cap rules on GM10.2. If you see a salary cap alert on one of the approval forms, you'll need to unrelease the template so you can execute the Salary Cap action on GM10.2.

In addition, you can import labor distribution template from a non-Lawson system by running Labor Distribution Template Interface (GM510). If you select the Apply Salary Cap option, the system will automatically create adjusting distribution lines for imported template lines that exceed the salary cap.

Grant Management also provides two reports that check for salary cap violations.

 You can run Salary Cap Alert Report (GM412) to evaluate existing labor distribution templates, salary cap schedules and employee pay to expose templates where an employee's salary exceeds the award's salary cap and salary cap rules have not been applied.

Templates are also included in the report if salary cap rules have previously been applied, but a change in salary cap amount or an employee salary has occurred.

Template lines must contain an activity to be eligible for the report.

 You can run Salary Cap Analysis Report (GM468) to compare actual pay to salary cap for selected employees and dates. The employee salaries can come from Lawson or non-Lawson payroll.

You can run this report at any time. it is recommended that you run it in conjunction with Effort Variance Report (GM465) or Labor Cost Transfer Template Creation (GM466) to expose individuals whose pay exceeded the salary cap for an effort reporting period.

This report is designed for .csv output so users can easily extract and analyze data.

Salary Cap Calculations

When checking for salary cap violations and applying salary cap rules, the system considers the following amounts:

Annual employee salary	The total salary for all the positions in effect for the employee on the template's effective date.
Template salary percentage	This is the salary percentage on the template line by which the salary is multiplied to determine what salary amount is assigned to the grant. This is the number that must be adjusted on the labor distribution template line if the salary cap is exceeded.
Calculated salary amount	The employee's calculated salary for the template distribution line (annual salary * template salary percentage).
	Example
	Assume an annual salary of \$100,000 and a salary percentage of 60%.
	The calculated salary amount will be:
	\$100,000 * 60 /100 = \$60.000

Annual salary cap	The salary cap in effect for the grant from the salary cap schedule	
	The salary cap is based on a full-time salaried employee.	
Employee FTE	The full-time employee percentage assigned to the employee (from HR10.1). Full-time is 1.0, half-time is .5, and so on. If the employee is part-time, the allowed salary cap must be prorated.	
	For example, if the annual salary cap for a full-time employee is \$100,000, a half-time employee (.5 FTE) will be evaluated against a salary cap of \$50,000.	
Salary allowed on grant	This is a calculated amount derived as follows:	
	annual salary cap * employee FTE * salary percentage	
	Example	
	Example Assume a salary cap of \$175,500 for a half-time employee with a distribution line percentage of 60%.	
	Example Assume a salary cap of \$175,500 for a half-time employee with a distribution line percentage of 60%. The allowed salary will be	
	Example Assume a salary cap of \$175,500 for a half-time employee with a distribution line percentage of 60%. The allowed salary will be \$175,700 * 0.5 * 60 / 100= \$52,710	
Salary overage	Example Assume a salary cap of \$175,500 for a half-time employee with a distribution line percentage of 60%. The allowed salary will be \$175,700 * 0.5 * 60 / 100= \$52,710 The calculated non-allowable part of the salary for the distribution line calculated as follows:	
Salary overage	Example Assume a salary cap of \$175,500 for a half-time employee with a distribution line percentage of 60%. The allowed salary will be \$175,700 * 0.5 * 60 / 100= \$52,710 The calculated non-allowable part of the salary for the distribution line calculated as follows: calculated salary amount - salary allowed on grant	
Salary overage	Example Assume a salary cap of \$175,500 for a half-time employee with a distribution line percentage of 60%. The allowed salary will be \$175,700 * 0.5 * 60 / 100= \$52,710 The calculated non-allowable part of the salary for the distribution line calculated as follows: calculated salary amount - salary allowed on grant Example	
Salary overage	Example Assume a salary cap of \$175,500 for a half-time employee with a distribution line percentage of 60%. The allowed salary will be \$175,700 * 0.5 * 60 / 100= \$52,710 The calculated non-allowable part of the salary for the distribution line calculated as follows: calculated salary amount - salary allowed on grant Example In our example, the calculated salary is \$60,000 and an allowed salary is \$52,710	
Salary overage	Example Assume a salary cap of \$175,500 for a half-time employee with a distribution line percentage of 60%. The allowed salary will be \$175,700 * 0.5 * 60 / 100= \$52,710 The calculated non-allowable part of the salary for the distribution line calculated as follows: calculated salary amount - salary allowed on grant Example In our example, the calculated salary is \$60,000 and an allowed salary is \$52,710 The salary overage is	

Capped salary percentage	This is the new salary percentage that must be assigned to the grant on the labor distribution template to comply with the salary cap. It is calculated as follows:	
	Salary allowed on grant / calculated salary amount * template salary percentage	
	Example	
	In our example, the allowed salary of \$52,710, the calculated salary is \$60,000, and the template salary percentage is 60%. The capped salary percentage is:	
	\$52,710 / \$60,000 * 60 = 52.71%	
Overage salary percentage	This is the offset percentage that will be entered on the overage distribution line created on the template when you execute the Salary Cap action. The overage salary calculated from this percentage will be posted to the overage GL account and optional overage accounting unit, account category, and user analysis defined on AC10.1.	
	The overage salary percentage is calculated as follows.	
	template salary percentage - capped salary percentage	
	Example	
	In our example, the template salary percentage is 60% and the capped percentage is 52.71%. The overage salary percentage is:	
	60% - 52.71% = 7.290%	
What Happens When I Release Labor Distribution Lines?

Once you define labor distribution templates and make necessary corrections, you must release the labor distribution lines so they can be approved and processed to create salary encumbrances, fringe encumbrances (if applicable), labor distribution, and effort distributions (if applicable).

Before Release

Labor distribution lines must meet the following criteria before you can release them:

- · Each distribution line must have a salary or effort percentage entered in it
- Salary percentages cannot total more than 100 percent (they must total exactly 100 percent or less)
- Effort percentages can be used only for employees who are eligible for effort reporting but are not required for effort reporting
- · If you are using them, effort percentages must total 100 percent

Results of Release

Releasing labor distribution lines:

- Changes the labor distribution status to Released
- Makes the labor distribution lines available for approval

If you use Lawson ProcessFlow to route labor distribution templates for approval, releasing labor distribution lines triggers the ProcessFlow service for labor distribution approval.

How Do I Approve Labor Distribution Templates?

NOTE Labor distribution template lines can also be placed on hold. Unapproved template lines - including lines on hold - are skipped during salary encumbrance processing. During labor distribution processing, unapproved template lines are ignored and the distribution in the original time record or imported transaction is used. Once you define labor distribution templates, you must release the labor distribution lines so they can be approved. Only approved template lines are eligible for salary encumbrance and labor distribution processing.

There are several methods to approve labor distribution templates:

- If you entered the template and have authority to approve it, you can approve labor distribution lines on Labor Distribution Template Entry (GM10.2). Use the Approve form action to approve all template lines immediately.
- If you want to approve multiple template lines at once in a batch process, use Labor Distribution Mass Status Change (GM115). Note that this program is NOT recommended if you use Lawson ProcessFlow.
- If someone other than the template creator needs to approve templates and Lawson ProcessFlow is not implemented, use Labor Distribution Template Approval by Employee (GM11.1) to approve templates by employee or Labor Distribution Template Approval by Activity (GM11.2) to approve labor distribution lines for a specific activity and account category.
- If someone other than the template creator needs to approve templates and Lawson ProcessFlow is implemented, the Labor Distribution Approval service will have been triggered when the lines were released. The person(s) responsible for approving each individual template line will use Labor Distribution Template Approval (GM11.4).

What Happens When I Approve Labor Distribution Lines?

Once you create and release labor distribution lines, they must be approved so you can process them to create salary encumbrances, fringe encumbrances (if applicable), labor distribution, and effort distributions (if applicable).

Before Approval

Labor distribution lines must have a Released status before you can approve them.

Results of Approval

Approving labor distribution lines:

- Changes the labor distribution status to Approved
- Makes the labor distribution lines available for processing during salary encumbrance processing on Salary Encumbrance Processing (GM110), labor distribution processing during Payroll Close (PR197), and labor distribution processing for non-Lawson payroll on Non-Lawson Payroll Tran Import (GM500).

Grant Management processes only the labor distribution lines that are approved. For salary encumbrances, non-approved distribution lines go to an error report. For labor distribution during payroll processing, non-approved distribution lines are ignored and Grant Management reverts to original time record distributions.

Procedures in this Chapter

Use the following procedures to set up labor distribution templates in Grant Management.

- "Defining a Salary Cap Schedule" on page 148
- "Defining Labor Distribution Templates" on page 150
- "Importing Labor Distribution Templates from a Non-Lawson Source"
 on page 157
- "Copying Labor Distribution Templates" on page 159
- "Approving Labor Distribution Lines Immediately" on page 162
- "Approving Multiple Labor Distribution Template Lines at Once" on page 163
- "Approving Labor Distribution Templates by Employee or Activity" on page 165
- "Approving Labor Distribution Template Lines with Lawson ProcessFlow" on page 169
- "Setting Up Lawson ProcessFlow for Labor Distribution Lines Approvals" on page 171

Defining a Salary Cap Schedule

Use this procedure to define a salary cap schedule.

A salary cap schedule includes one or more salary cap amounts with effective dates.

Need More Details? Check out the following concepts:

• "What Is a Salary Cap Schedule?" on page 140

STEPS To define a salary cap schedule

- 1. Access Salary Cap Schedule (GM05.1).
- 2. Define and save the schedule.

Consider the following fields.

Salary Cap Schedule	Required. Type the salary cap schedule name and description.	
Currency Code	Required. Type or select the currency for salary cap amounts in the salary cap schedule.	
Schedule Type Required. Select the type of salary cap sch For example, Federal identifies schedules apply to federally funded grants, and Priva might apply to salary caps imposed by a pharmaceutical company that funds resear		
	Valid values are:	
	F = Federal	
	S = State	
	N = Foundation	
	P = Private	
	O = Other	
Effective Date	Required. Type or select the date the salary cap amount goes into effect.	
Entered Date	Type or select the date the salary cap amount was entered in the salary cap schedule. If you leave this field blank, today's date defaults.	
Salary Cap Amount	Required. Enter the annual salary cap amount in the currency of the schedule.	
Status	Indicate whether the cap amount is active or inactive. Only active salary cap amounts are considered for determining whether an employee's salary exceed the cap. If you leave this field blank, Active defaults.	

Related Programs

То	Run
List salary cap schedules	Salary Cap Schedule Listing (GM205).
	You can list all the salary cap schedules or a range of salary cap schedules.

Defining Labor Distribution Templates

Labor distribution records are templates that identify where an employee's salary is charged. Lines on the template indicate percentages to be charged to grant activities that the employee works on and also specific general ledger accounts (departments) where the employee works.

Labor distribution templates are used to:

- Encumber earnings during Salary Encumbrance Processing (GM110). This routine projects earnings and creates salary encumbrances (commitments) for grants in Project Accounting, and optionally in General Ledger.
- Drive payroll distribution transactions in Project Accounting and General Ledger postings during the payroll closing cycle. This occurs during Payroll Close (PR197) or Non-Lawson Payroll Transaction Import (GM500).
- Create effort distributions during the payroll closing cycle. These transactions are used in effort reporting to calculate effort percentages for each employee and effort reporting period.

For grants that require salary caps, the labor distribution template can be used to automatically cap the salary percentage assigned to a grant when the calculated salary exceeds the salary cap defined for the grant on Activity (AC10.1). The system checks for salary cap violations when distribution lines are added to the template as well as when the template lines are reviewed for approval, so that the corrections can be made before the payroll encumbrances and distributions are processed.

Need More Details? Check out the following concepts:

- "What Are Labor Distribution Templates?" on page 140
- "How Does Grant Management Handle Salary Cap Violations?" on page 141

STEPS To define a labor distribution template

1. Access Labor Distribution Template Entry (GM10.2).

NOTE You can access Labor Distribution Template Entry (GM10.2) directly and choose an employee, or you can use Labor Distribution Template Filter (GM10.1) to view multiple existing records. Enter information on the filter fields at the top of the form to narrow the number of records that display. On GM10.1, locate the employee line you want to edit and choose Details next to the record.

2. Enter the information for the labor distribution. Consider the following fields.

HR Company	Choose the employee's Human Resources company.	
Employee	Choose an employee. The employee must be eligible for labor distribution.	
Job Code / Position	Choose a job code for the labor distribution template. If you leave the field blank, the template is valid for any job code. You cannot enter a job code if the Position field is populated.	
	- or -	
	Choose a position for the labor distribution template. If you leave the field blank, the template is valid for any position. If the Job Code field is populated, you cannot enter a position.	
	NOTE The position must be in effect for the entire period covered by the distribution record.	
Pay Code	Choose a pay code for the labor distribution template. If you leave the field blank, the template is valid for any pay code.	
Effective	Choose or type the effective date for the labor distribution template.	
	 For salary encumbrance processing, the effective date determines when salary encumbrances begin, irrespective of the employee's hire or adjusted hire dates. 	
	TIP If possible, the effective date should align with the start date of a pay period, but if it does not, encumbrances are calculated from the beginning date of the pay period in which the start date falls.	
	 For labor distribution processing, a template can be applied to a time record if the time record's date is on or later than the template's effective date. If the template has a job code, position or pay code, the time record's job code, position or pay code must match. The template with the newest effective date with respect to the time record is used. 	

Encumbrance Default	Choose Yes to use this distribution record for salary encumbrances.
	Choose No if this is not the record to use for salary encumbrances.
	When you have multiple labor distribution templates for the same employee and effective date, this field determines which template to use for salary encumbrance processing.
	NOTE Grant Management allows only one Yes response per employee and effective date.
Encumbrance Status	This field indicates the labor distribution status for salary encumbrance processing. Only Approved templates are eligible. Valid values are:
	Blank = Not approved
	1 = Auto approval
	2 = User approval
	Blank (all lines not approved) is the default status for all new records. The field cannot be changed to blank; this is a system-assigned status.
	1 (all lines approved) is automatically assigned by GM11 or GM115 when all labor distribution lines have a status of Approved. The field cannot be changed to 1; this is a system-assigned status.
	2 (user approval) can be assigned on GM10.2 and indicates that the labor distribution template should be considered for encumbrance processing, even if not all of its lines are approved. Once this field is set to 2 in a given record, the system will not change it.
	Salary Encumbrances (GM110) uses this field to select template records to use for salary encumbrances. If the field is blank, the entire labor distribution template is ignored. If the Encumbrance Status is 1 or 2, then the labor distribution template is used for salary encumbrance processing.

Activity	Optional. Choose or type the posting activity for the distribution. This is the grant activity to which a portion of the salary should be encumbered and distributed.
	NOTE Distribution lines associated with grant activities that have salary cap enabled will be checked for salary cap violations.
Cat	Optional. Choose or type a valid account category for the posting level activity. This must be a detail level account category. If you do not select an account category, the default account category from Activity (AC10.1) is used.
Со	Choose or type the General Ledger company for commitments and labor distribution. If you selected an activity and you do not select a company, the default company from Activity (AC10.1) is used.
Account	Choose or type the General ledger accounting unit for commitments and labor distribution.
	Choose or type the General Ledger account for commitments and labor distribution.
	If you selected an activity and you do not select an accounting unit or account the default accounting unit and account from Activity (AC10.1) is used.
End Date	Type or choose the end date for the labor distribution line. Encumbrances and labor distribution for active employees will not occur beyond the end date.
	If you entered an activity, this field defaults with the activity end date or a period of performance end date for system code GM.
	If you entered a General Ledger account only, you must enter an end date. Make sure the date is not greater than the General Ledger company's next fiscal year-end date.

Salary Percentage	Type the percentage of salary to be charged to the activity and general ledger account for encumbrance processing and labor distribution. You cannot enter a negative percentage. The salary percentage can be zero if the employee has a planned effort percentage.
	NOTE If you entered a grant activity subject to salary cap, a salary percentage is needed for salary cap calculations.
Effort Percentage	Optional. Type the planned effort percentage to identify how much effort you expect the employee to expend on a sponsored activity or general ledger account.
	NOTE Do not enter planned effort in a cost share distribution line. The salary percentages for a sponsored activity and its associated cost share generally equal the planned effort for the sponsored activity.
	Planned effort percentages are visible in effort reporting. Tracking planned effort is optional.
	In order to enter a planned effort percentage, the employee must be subject to effort reporting. An employee's eligibility for effort reporting is determined in the employee record on Employee Grant Management Options (HR11.3).
	You cannot enter a negative percentage. The planned effort percentage can be zero if the employee has a salary percentage.
Optional. To access Labor Distribution Template Additional Information (GM10.3), click the More link next to each line. Use this form to view estimated salary information for the detail line. You can also enter fringe encumbrance override information and optional user analysis values for the distribution.	
If you enter the fringe	override information, consider the following fields.
Calculate	Choose whether the distribution line is subject to fringe calculation during Salary Encumbrance Processing (GM110). If you choose No, no fringe is calculated on labor encumbrance.

3.

	Rate	The fringe rate is used by Salary Encumbrance Processing (GM110) to create commitments for fringe amounts.
		If there is a fringe rate on the grant (on Activity (AC10.1)), the rate from the activity will default into this field. You can override the default by typing a different fringe rate. If this field is blank, GM110 uses encumbrance fringe rate on the employee file (Grant Management (HR11.3)).
	Account Category Account	The account category is used by Salary Encumbrance Processing (GM110) to create commitments for fringe amounts.
		If there is a post-to fringe account category on the grant (on Activity (AC10.1)), the account category from the activity will default into this field. You can override the default by typing a different account category. If this field is blank, GM110 uses the fringe account category on the employee file (Grant Management (HR11.3)).
		The account is used by Salary Encumbrance Processing (GM110) to create commitments for fringe amounts.
		If there is a post-to fringe account on the grant (on Activity (AC10.1)), the account from the activity will default into this field. You can override the default by typing a different fringe account. If this field is blank, GM110 uses the fringe account on the employee file (Grant Management (HR11.3)).
4.	Add the template.	
	If any of the distribution salary cap enabled ex	on lines associated with grant activities that have acceed the salary cap, a warning appears for that line.
5.	Optional. If any salary cap warnings exist, execute the Salary Cap form	

5. Optional. If any salary cap warnings exist, execute the Salary Cap form action.

For each line that is in violation, the system:

- Caps the salary percentage at the allowable level.
- Creates an additional distribution line that holds the overage salary percentage. The activity, account category, GL account, and/or user analysis values on the overage line are defaulted as follows:

Activity	If the overage activity is defined on AC10.1, the overage activity defaults to the overage line.
	If it is not defined on AC10.1, the overage is not charged to any activity or account category.

Account category	If the overage account category is defined on AC10.1 (along with the activity), the overage account category defaults to the overage line.
	If the overage activity is defined on AC10.1 but the overage account category is not defined, the overage line uses the account category from the originating distribution line.
GL account	If the overage GL account (company, accounting unit, account and/or subaccount) is defined on AC10.1, it defaults to the overage line.
	If the overage GL account is not defined on AC10.1, the overage line uses the GL account from the originating line.
User analysis	User analyses are used only if your organization uses Strategic Ledger.
	If the overage user analysis values are defined on AC10.1, the overage user analysis values default to the overage line.
	If the overage user analysis values are not defined on AC10.1, the overage line uses the user analysis values from the originating line.
Optional. If you applied a salary cap, choose the Cap button to access Salary Distribution Template Salary Cap (GM10.5) and view salary cap calculation detail.	

 When you have added the template, release the template lines so they can be approved. (In the FC field for each line, type or choose Release (R) and click the Change form action.)

6.

Related Reports and Inquiries

То	Use
Print a list of labor distribution records. You can view the report by employee, activity, or General Ledger account.	Labor Distribution Listing (GM210)
Create a report that identifies labor distribution records that are about to expire according to their end dates. You can view the report by employee or activity.	Labor Distribution Expiration Report (GM410)
To evaluate existing labor distribution templates, salary cap schedules and employee pay to expose templates where an employee's salary exceeds the award's salary cap and salary cap rules have not been applied.	Salary Cap Alert Report (GM412)
To compare actual pay to salary cap for selected employees and dates	Salary Cap Analysis Report (GM468)
and expose individuals whose pay exceeded the salary cap for an effort reporting period.	NOTE This report is designed for .csv output so users can easily extract and analyze data.

Importing Labor Distribution Templates from a Non-Lawson Source

You can import labor distribution templates from an external (non-Lawson) source into the Grant Management application.

Need More Details? Check out the following concepts:

- "What Are Labor Distribution Templates?" on page 140
- "How Does Grant Management Handle Salary Cap Violations?"
 on page 141

STEPS To import labor distribution templates

- 1. Populate the Labor Distribution Template Interface file (GMTMPLREL) with labor distribution data and copy the file to your environment.
 - a. Using the macro provided by lawson, prepare a CSV file with fields that match the GMTMPLREL file.

For information, see the Grant Management Interface File Layouts.

- b. Using the **importdb** command, import the file into the GMTMPLREL file.
- Optional. Access Labor Distribution Template Interface Adjustment (GM51.1) to add, modify, or delete the labor distribution template records in the GMTMPLREL file.

For a description of the fields see the online help text or the field descriptions in the *Grant Management Interface File Layouts*.

 Run Labor Distribution Template Interface (GM510) to upload labor distribution templates from the Labor Distribution Template Interface file (GMTMPLREL) to the Grant Management labor distribution template header and detail files (GMLABDIST and GMLABDISTX).

Template header records are created for template lines that share the same HR company, employee number, job code, pay code, position, and effective date.

Records can be imported with a status of Released, Unreleased, Hold, or Approved.

Consider the following fields.

Run Group	Select the run group that includes the records you want to interface.	
	NOTE While the program is running, records in the run group cannot be edited or deleted by other programs.	
Apply Salary Cap	Set the Salary Cap field to Yes to get the program to create overage lines to charge excess salary to if an employee's salary exceeds the salary cap for an activity.	
Update	Run the report first with the Update option set to No to generate an exception/error report that lists those records that would not successfully interface if you ran the report in update mode.	
	You can make corrections to the records before you actually attempt to update the database. Use Labor Distribution Template Interface Adjustment (GM51.1) to review and edit the interface records in the GMTMPLREL file before they are interfaced.	

4. Check the error report to make sure all records where interfaced.

Once interfaced, the records disappear from the GMTMPLREL file; records that failed to interface can still be reviewed and corrected using GM51.1.

- 5. Optional. After you corrected records that failed to interface, run GM510 again to interface the rest of the records.
- Optional. View and edit the imported templates like any other Grant Management labor distribution templates (using GM10.2, GM11.1, GM11.2, or GM11.4).

Related Reports and Inquiries

То	Use
Print a list of labor distribution records. You can view the report by employee, activity, or General Ledger account.	Labor Distribution Listing (GM210)
Create a report that identifies labor distribution records that are about to expire according to their end dates. You can view the report by employee or activity.	Labor Distribution Expiration Report (GM410)

Copying Labor Distribution Templates

You can copy an existing labor distribution template to create new templates for:

- the same employee for up to five pay codes or all pay codes in a pay summary group
- different employees and no pay codes
 - or -
- different employees and up to five pay codes or all pay codes in a pay summary group

Copying labor distribution templates is useful when a grant cannot be charged with certain types of employee pay, such as bonus or life insurance. A separate template is required for each pay code that represents a type of pay that is not chargeable to a grant. You can create new templates for these pay codes by copying from an existing template that contains the correct distributions. Copying labor distribution templates is also useful if you when you have many employees that have the same labor distributions, regardless of whether pay code is involved.

STEPS To copy a labor distribution template

- 1. Access Labor Distribution Template Entry (GM10.2).
- 2. Inquire to find the template you want to copy.
- 3. Click Copy to access Labor Distribution Template Copy (GM10.4).
- 4. Enter the copy parameters. Consider the following fields.

HR Company	Identify the HR company for the employee(s) you want in the new templates.
Employee Group / Employee Range	To identify the employee(s) you want in the new templates, type an employee group or a range of employee numbers.
	To create templates for all employees in an employee group, type or select the employee group.
	- OF -
	To create templates for a range of employees, type or select a range of employee IDs.
	To create new templates for one employee (including the employee from the source template), type the employee ID in one of the Employee Range fields and leave the other field blank.
Pay Codes / Pay Summary Group	You can choose up to five pay codes for the new templates. One new template is created for each employee/pay code combination.
	The pay code must be valid for the HR company.
	- OF -
	You can choose a pay summary group that contains the pay codes for the new templates. One new template is created for each employee/pay code combination.
	If you leave pay codes or pay code summary group fields blank, the new templates are created with no pay code and the template distributions apply to any pay code.

Effective	This is the effective date for the new templates. The effective date defaults from the source template, but you can type or choose a different effective date.
	NOTE If the effective date is later than the date on the source template, it must not be later than the end date in any of the template lines.
	If the effective date is earlier than the date on the source template, it must fall in the date range for any activities in the source template lines.
Approve New Templates	Choose whether the lines in the new templates should be created with an approved status.
	If you choose No, the lines in the new templates are created with the status you choose in the New Template Line Status field.
	If you choose Yes, the system will check that the lines are eligible for approval and then create the lines in the new template with an approved status. A template cannot be created with a template status line of Approved if:
	 the template's salary percentage total is greater than 100 percent
	 the planned effort percentage total is not equal to 0 or 100 percent

New Template Line Status	If the Approve New Templates field is No, this field is required.
	Choose a status for the lines in the new templates.
	Released (R)
	Hold (H)
	Unreleased (U)
	If you choose Released, the system will check the source template lines to make sure the lines from the source template are eligible for release. A template cannot be created with a template

- status line of Released if:the template's salary percentage total is
- the template's salary percentage total is greater than 100 percent
- the planned effort percentage total is not equal to 0 or 100 percent

If you use ProcessFlow, triggers for the Lab Dist Appr service are created for each new template line.

5. Click the Create form action.

The system validates the employee and pay code parameters, makes sure the effective date and new status are valid, and then starts a batch job to create one new template for each employee and pay code you specified.

6. Review the copy job using the Online Labor Distribution Template Copy report.

The report identifies the source template, the copy to parameters, and the number of templates successfully created. The report also includes error messages if a template could not be created. Access the report from Print Manager within any Lawson report or update program.

Approving Labor Distribution Lines Immediately

Once you create and release labor distribution lines, they must be approved to be eligible for salary encumbrance and labor distribution processing.

If you entered the template and have authority to approve it, you can use the Approve form action on Labor Distribution Template Entry (GM10.2) to approve all template lines immediately.

IMPORTANT Labor distribution lines must have an approved status to be eligible for Salary Encumbrance Processing (GM110) and labor distribution processing during Payroll Close (PR197) or Non-Lawson Payroll Transaction Import (GM500). Unapproved template lines - including lines on hold - are skipped during salary encumbrance processing. During labor distribution processing, unapproved template lines are ignored and the distribution in the original time record or imported transaction is used.

STOP Labor distribution template lines must have a released status to be eligible for approval. You can release template lines on Labor Distribution Template Entry (GM10.2), or using Labor Distribution Mass Status Change (GM115).

STEPS To approve labor distribution lines on GM10.2

TIP If you do not want the Approve form action available to all users, you can hide the Approve button with Design Studio, or secure it to appropriate users.

Once all template lines are created and released, you can use the Approve form action on Labor Distribution Template Entry (GM10.2) to immediately approve the lines.

Approving Multiple Labor Distribution Template Lines at Once

Use Labor Distribution Mass Status Change (GM115) to change the status of labor distribution template lines in a batch process instead of changing distributions line-by-line on the Labor Distribution Approval (GM11) forms.

STEPS To change template line status in a batch process

- 1. Access Labor Distribution Mass Status Change (GM115), Main page.
- 2. Type a job name and an optional description for the mass status change.
- 3. Identify the employee, effective dates, and status of the labor distribution records you want to approve. Consider the following fields.

Company	Choose the Human Resources company for the labor distribution records.
Process Level / Processing Group	Choose or type a process level to identify employees in the labor distribution records.
	- or -
	Choose or type a processing group to identify employees in the labor distribution records.

Employee Group / Employee Range	Choose or type an employee group to identify employees in the labor distribution records.
	- Of -
	Choose or type a range of employee numbers to identify employees in the labor distribution records.
Effective Date	Choose or type a date range to select labor distribution records. The effective date on the labor distribution records is compared to the date range you enter here.
Record Type	Choose to change the status of
	Labor Distribution records only (1) (default)
	Labor Cost Transfers only (2)
	Labor Distribution and Cost Transfer records (3)
Existing Status	Choose the current status of records to select; you must choose at least one status, and can choose up to three.
	Unreleased (U)
	Released (R)
	Approved (A)
	Hold (H)
New Status	Choose the new status for the lines you want to change. The new status cannot be the same as any current status you specified.
	Unreleased (U)
	Released (R)
	Approved (A)
	Hold (H)
	NOTE If the Lawson ProcessFlow service Labor Distribution Approval (Lab Dist Appr) is enabled, you can only change status from unreleased to released. To preserve data integrity, all other status changes must occur through ProcessFlow.

Update Choose No to run GM115 and review the report without updating status changes.

Choose Yes to run GM115 in update mode.

- 4. Optional. Access the Activity page. You can choose activity information to help select the records you want to approve. Choose an activity group list, activity group, individual activities (up to six), or an activity list.
- 5. Optional. Access the GL Accounts page. You can choose general ledger account information to help select the records you want to approve. Choose a General Ledger company, accounting units or accounting unit list, and a range of accounts or an account list.
- 6. Add and submit the job to make the status changes in the selected records.

Approving Labor Distribution Templates by Employee or Activity

Once you create and release labor distribution template lines, they must be approved to be eligible for salary encumbrance and labor distribution processing.

If someone other than the template creator needs to approve templates and Lawson ProcessFlow is not implemented, you can:

- Approve labor distribution template lines by employee on Labor Distribution Template Approval by Employee (GM11.1). For more information, see "To approve labor distribution templates by employee" on page 166.
- Approve labor distribution template lines for a specific activity on Labor Distribution Template Approval by Activity (GM11.2). Template lines that contain only a General Ledger account (in other words, no activity) cannot be approved on this form. For more information, see "To approve labor distribution template lines by activity" on page 167.

IMPORTANT Labor distribution template lines must have an approved status to be eligible for Salary Encumbrance Processing (GM110) and labor distribution processing during Payroll Close (PR197) or Non-Lawson Payroll Transaction Import (GM500). Unapproved template lines are skipped during salary encumbrance processing. During labor distribution processing, unapproved template lines are ignored and the distribution in the original time record or imported transaction is used.

Need More Details? Check out the following concepts:

- "What Are Labor Distribution Templates?" on page 140
- "How Does Grant Management Handle Salary Cap Violations?" on page 141

STEPS To approve labor distribution templates by employee

STOP Labor distribution template lines must have a released status to be eligible for approval. You can release template lines on Labor Distribution Template Entry (GM10.2), or using Labor Distribution Mass Status Change (GM115).

- 1. Access Labor Distribution Template Approval by Employee (GM11.1).
- 2. Inquire on the labor distribution template you want to approve. Consider the following fields.

HR Company	Choose the Human Resources company for the employee in the template you want to approve.
Employee	Choose the employee in the template you want to approve.
Job Code / Position	Choose a job code or position (if any) in the template you want to approve.
Pay Code	Choose a pay code (if any) in the template you want to approve.
Effective	Choose or type the effective date in the template you want to approve.
Status	Choose a status to filter the template lines you want to see. Valid values are:
	All (X) (Default)
	Approved (A)
	Released (R)
	Unreleased (U)
	Hold (H)

3. Review the distribution lines you want to approve. Consider the following fields.

TIP Choose the Unrelease form action to unrelease all the template lines.

IMPORTANT If a salary cap warning appears for any line, you must unrelease the whole template so that you can execute the Salary Cap action on Labor Distribution Template Entry (GM10.2) to adjust the salary percentages. Choose the Cap link to access Labor Distribution Template Entry Salary Cap (GM10.5) and review the salary cap information.

FC	Type or chose the new status for each template line.
	If the existing line status is Released, you can change the line status to Approved, Unreleased, or Hold.
	If the existing line status is Unreleased, you can change the line status to Hold.
	If the existing line status is Approved, you can change the line status to Hold or Unreleased.
	TIP You can change or delete lines with an Unreleased status on Labor Distribution Template Entry (GM10.2). You can change a line status from Unreleased to Released on GM10.2 or on Labor Distribution Mass Status Change (GM115).
Approval	Enter an approval level (if any). Approval level is typically used with multi-step approvals in Lawson ProcessFlow. Values populated in the approval level field are updated when the Change line function code is used, or when the line function is used to change the line's status.
- "	

4. To approve any line, select the Approve line action and the Change form action.

STEPS To approve labor distribution template lines by activity

- 1. Access Labor Distribution Template Approval by Activity (GM11.2).
- 2. Review the labor distribution template lines you want to approve. Consider the following fields.

Activity	Choose the activity in the template lines you want to approve.
Account Category	Choose the account category in the template lines you want to approve.
Effective	Choose or type the effective date in the template lines you want to approve.

Status	Choose a status to filter the template lines you want to see. Valid values are:
	All (X) (Default)
	Approved (A)
	Released (R)
	Unreleased (U)
	Hold (H)

3. Review the template lines.

IMPORTANT If a salary cap warning appears for any line, you must unrelease the whole template that the activity belongs to so that you can execute the Salary Cap action on Labor Distribution Template Entry (GM10.2) to adjust the salary percentages. Choose the Cap link to access Labor Distribution Template Entry Salary Cap (GM10.5) and review the salary cap information. Use Labor Distribution Template Approval by Employee (GM11.1) or Labor Distribution Mass Status Change (GM115) to unrelease the template.

FC	Type or chose the new status for each template line.
	If the existing line status is Released, you can change the line status to Approved, Unreleased, or Hold.
	If the existing line status is Unreleased, you can change the line status to Hold.
	If the existing line status is Approved, you can change the line status to Hold or Unreleased.
	TIP You can change or delete lines with and Unreleased status on Labor Distribution Template Entry (GM10.2). You can change a line status from Unreleased to Released on GM10.2 or on Labor Distribution Mass Status Change (GM115).
Approval	Enter an approval level (if any). Approval level is typically used with multi-step approvals in Lawson ProcessFlow. Values populated in the approval level field are updated when the line function code Change is used, or when the line function is used to change the line's status.

4. To approve any line, select the Approve line action and the Change form action.

Approving Labor Distribution Template Lines with Lawson ProcessFlow

TIP ProcessFlow uses the Labor Distribution Approval service (Lab Dist Appr) for labor distribution template approvals. A ProcessFlow flow file template for labor distribution approval is available in the ProcessFlow Solutions for Financials. which is available on the Product Download site on support.lawson.com. For more information, see "Setting Up Lawson ProcessFlow for Labor **Distribution Lines** Approvals" on page 171. Once you create and release labor distribution template lines, they must be approved to be eligible for salary encumbrance and labor distribution processing.

If someone other than the template creator needs to approve templates and Lawson ProcessFlow is implemented, the Labor Distribution Approval service will have been triggered when the lines were released. Labor Distribution Template Approval (GM11.4) can be embedded in the .flo to present each template line to the appropriate user(s) for approval.

IMPORTANT Labor distribution lines must have an approved status to be eligible for Salary Encumbrance Processing (GM110) and labor distribution processing during Payroll Close (PR197) or Non-Lawson Payroll Transaction Import (GM500). Unapproved template lines are skipped during salary encumbrance processing. During labor distribution processing, unapproved template lines are ignored and the distribution in the original time record or imported transaction is used.

Need More Details? Check out the following concepts:

- "What Are Labor Distribution Templates?" on page 140
- "How Does Grant Management Handle Salary Cap Violations?" on page 141

STEPS To approve labor distribution lines on GM11.4

STOP Labor distribution template lines must have a released status to be eligible for approval. You can release template lines on Labor Distribution Template Entry (GM10.2), or using Labor Distribution Mass Status Change (GM115).

- 1. Access Labor Distribution Template Approval (GM11.4).
- 2. Review the labor distribution template line. Consider the following fields.

HR Company	Choose the Human Resources company in the template line to be approved.
Employee	Choose the employee in the template line to be approved.
Job Code / Position	Choose a job code or position (if any) in the template line to be approved.
Pay Code	Choose a pay code (if any) in the template line to be approved.
Effective	Choose or type the effective date in the template to be approved.

TIP All these fields can be defaulted when this form is embedded within a .flo.

Line Number	Choose the line number identifying the template line to be approved.
Approval	Enter an approval level (if any). When more than one person needs to approve the template line, this identifies the current level of approval. The value entered in this field is used to route the template line to the next person for approval.

- 3. Change the template line status.
 - To approve the template line, click the Approve form action. (The line's existing status must be Released.)
 - To put the line on hold, click the Hold form action.
 - To unrelease the line, click the Unrelease form action.

IMPORTANT If a salary cap warning appears for the line, you must unrelease this line, along with all the distribution lines that belong to the same template. You can use Labor Distribution Template Approval by Employee (GM11.1) or Labor Distribution Mass Status Change (GM115) to unrelease all the lines in the template at once. After the lines have been unreleased, access Labor Distribution Template Entry (GM10.2) to execute the Salary Cap action.

4. Optional. Use the Cap link to access Labor Distribution Template Entry Salary Cap (GM10.5) and view salary cap detail information for the line.

TIP You can change or delete lines with an Unreleased status on Labor Distribution Template Entry (GM10.2). You can change a line status from Unreleased to Released on GM10.2 or on Labor Distribution Mass Status Change (GM115).

Setting Up Lawson ProcessFlow for Labor Distribution Lines Approvals

You can use Lawson ProcessFlow to approve labor distribution template lines. The ProcessFlow service for labor distribution approval is triggered when a labor distribution template line is released on Labor Distribution Template Entry (GM10.2) or during Labor Distribution Mass Status Change (GM115).

IMPORTANT For approvals using ProcessFlow to work, you must:

- Enable the Labor Distribution Approval (Lab Dist Appr) service in ProcessFlow.
- Define the Lab Dist Appr criteria of HR company and PI in ProcessFlow.
- Create a flow file. You can write your own or edit the labdistappr.flo ProcessFlow Solutions template (available from the download page at support.lawson.com). Labor Distribution Template Approval (GM11.4) is the recommended form for approving distribution lines using Lawson ProcessFlow.
- Upload the flow file to your server.

For information on how to design services and flows and use ProcessFlow, see the *ProcessFlow Administration Guide*.

For descriptions of available services and the ProcessFlow Solutions templates, see the *ProcessFlow Reference Guide*.

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Processing Salary Encumbrances

This chapter explains processing salary encumbrances in Lawson Grant Management. Processing salary encumbrances lets you use labor distribution templates to reserve funds (as commitments) that will be paid to an employee over the life of the grant.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 177. The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Happens When I Run Salary Encumbrance Processing (GM110)?" on page 174
- "How Often Should I Process Salary Encumbrances?" on page 176
- "How Does Grant Management Work With Future Changes to Employee Pay and Distributions?" on page 176

What Happens When I Run Salary Encumbrance Processing (GM110)?

Salary Encumbrance Processing (GM110) uses labor distribution templates to create commitments for grant activities in Project Accounting and general ledger accounts in General Ledger.

A labor distribution template is eligible for salary encumbrance processing if it contains an employee who is subject to salary encumbrances (the Salary Encumbrance field on the employee record (HR11.3) is set to Yes).

Salary encumbrances are calculated on each employee's pro-rated annual salary, which is projected through the end date of each labor distribution line. One or more encumbrances are created per employee and pay period, depending on pay period end dates and Project Accounting or General Ledger end dates.

You can also use Salary Encumbrance Processing (GM110) to create fringe encumbrances.

To make sure that the salary (and optionally, fringe) encumbrances charged to grant activities or general ledger accounts (departments) are current, you should run Salary Encumbrance Processing (GM110) regularly. Running Salary Encumbrance Processing (GM110) clears any existing salary and fringe encumbrances before it creates the new commitments.

Example

Kelly is eligible for labor distribution and earns \$72,800 per year. She is paid bi-weekly, and her earnings per pay period are \$2,800. She is working on two grants during August and September. The following template has been defined for her on Labor Distribution Template Entry (GM10.2):

Activity	Effective Date	End Date	Salary
Grant A	08/15/03	09/30/03	50%
Grant B	08/15/03	09/22/03	50%

Salary Encumbrance Processing (GM110) compares Kelly's pay period schedule (from the assigned pay plan on the employee record HR11.1) to the activity calendar. Her organization uses a monthly Project Accounting

calendar (separate period for each calendar month from January to December). The table below identifies the applicable activity period(s) for each pay period.

Pay Period Start Date	Pay Period End Date	Project Accounting (AC) Period
08/15/03	08/28/03	August 2003
08/29/03	09/11/03	August 2003 and September 2003
09/12/03	09/25/03	September 2003

When Salary Encumbrance Processing (GM110) is run with an Encumbrance Start Date of 08/15/03, the following salary commitments are created:

Pay Period Start Date	Pay Perod End Date	Grant	Commitment
08/15/03	08/28/03	А	\$1,400
08/15/03	08/28/03	В	\$1,400
08/29/03	09/11/03	А	\$1,400
08/29/03	09/11/03	В	\$1,400
09/12/03	09/25/03	А	\$1,400
09/12/03	09/25/03	В	\$1,100

For the first two pay periods, the template lines split Kelly's \$2,800 pay period earnings 50/50 (in other words, \$1,400 for each grant). For the third pay period, grant A is still in effect for the full period (the end date is 09/30/03), but grant B is only effective for the first 11 days of the period (the end date is 09/22/03). For grant B, the \$1,400 period wages are pro-rated at \$100 per day and multiplied by the 11 days the grant is in effect (09/12/03 to 09/22/03) to get \$1,100.

You can run Salary Encumbrance Processing (GM110) on demand.

You should run Salary Encumbrance Processing (GM110) regularly to make sure that salary encumbrances charged to a grant activity or general ledger account (department) are current.

Example: Normal Salary Encumbrance Processing

- **Daily:** Run Salary Encumbrance Processing (GM110) with the Process Distribution Changes Only field set to Yes to update the template records that have changed. Using the changes only option reduces processing time for the GM110 program.
- **After Each Payroll Cycle:** Run Salary Encumbrance Processing (GM110) with the Process Distribution Changes Only field set to No to process salary encumbrances for all selected employees.

TIP For Lawson Payroll users: Since General Ledger Posting (PR198) relieves commitments and updates Project Accounting and General Ledger transaction files, Lawson recommends you run General Ledger Posting (PR198) after Payroll Close (PR197) as part of the payroll closing cycle.

How Does Grant Management Work With Future Changes to Employee Pay and Distributions?

Salary encumbrance processing uses current salary information to determine salary encumbrances for an employee. Future changes to employee pay and distributions are handled by the following functionality:

- Encumbrances are automatically charged to all current and future pay periods based on labor distribution records.
- You can specify up to three personnel action codes for anticipated employee terminations on the Employee page on Salary Encumbrance Processing (GM110). Personnel action codes must contain a termination date. No encumbrances are processed for the employee beyond the termination date.
- Salary Encumbrance Processing (GM110) processes new hires when the employee is established on Employee (HR11.1) and is eligible for pay. New hires in the applicant file are not eligible for salary encumbrance processing.
- Future rate changes are not accommodated by salary encumbrance processing. Rate changes can be identified in user-defined personnel actions. Future rate changes are not accommodated because of the flexibility of personnel actions, the complexities involved in determining earnings from the available fields, and the relative immateriality of future rate changes when salary encumbrance processing is run regularly.

Procedures in this Chapter

Use the following procedures to process salary encumbrances in Grant Management.

- "Processing Salary Encumbrances" on page 177
- "Troubleshooting Salary Encumbrance Processing (GM110)" on page 180
- "Removing Outstanding Salary and Fringe Encumbrances" on page 182

Processing Salary Encumbrances

NOTE Running Salary Encumbrance Processing (GM110) clears any existing labor and fringe commitments before it creates new commitments. Salary Encumbrance Processing (GM110) uses labor distribution templates to create commitments for grant activities in Project Accounting and general ledger accounts in General Ledger.

STOP To create activity commitments during salary encumbrance processing, the Activity Commitments field must be set to Yes for system code GM on System Codes (GL01.4). If the field is No, commitments will not be created even if the activity group's payroll commitment override is set to yes.

If you want to create general ledger commitments, you must also choose Yes in the GL Commitments field.

STOP Labor distribution lines must have an approved status to be eligible for salary encumbrance processing.

STEPS To process salary encumbrances

- 1. Access Salary Encumbrance Processing (GM110), Main page.
- 2. Choose a start date for encumbrance processing and whether to calculate fringe. Consider the following fields.

Encumbrance Start Date Type or choose the starting date for calculating and creating encumbrances. Encumbrances process from this start date through the end date of each labor distribution line.

TIP Use the pay period start date.

TIP Salary Encumbrance Processing (GM110) should be run for all employees in a pay cycle after General Ledger Posting (PR198) has successfully completed.

Encumber Fringe	Choose Yes or No to determine whether to calculate and create fringe commitments.	
	No — Grant Management will not create fringe encumbrances.	
	Yes — Calculates and creates fringe encumbrances based on salary encumbrances and fringe information. GM110 uses the fringe encumbrance overrides rate, account category, and account on the labor distribution detail record (Labor Distribution Template Additional Information (GM10.3)). If these fields are blank, the GM110 uses the encumbrance fringe rate, account category, and account on the employee file (Grant Management (HR11.3)).	
	NOTE If fringe rates are negotiated by grant, fringe encumbrance information should be entered for the grant activity or one of its parents on Activity (AC10.1), Award page. When distribution lines are created on Labor Distribution Template Entry (GM10.2), any fringe encumbrance information from Activity (AC10.1) defaults in the labor distribution detail record in the Fringe Encumbrance Overrides fields on GM10.3. You can enter values over these defaults, but if you do not change the fields, GM110 will use the activity fringe encumbrance information that defaults in from the activity.	
Process Distribution Changes Only	Choose No to process encumbrances for all selected employees. Choose Yes to process encumbrances only for labor distribution records that have changed in the date range you define.	
Dates	If you select Yes in the Process Distribution Changes Only field, these dates are required. Choose or type a date range. Employees with labor distribution records that were changed on dates that fall on or within this date range are eligible for salary encumbrance processing.	
Access the Employee page.		
Identify the employees to process for salary encumbrances. Consider the following fields.		
Company	Choose or type the Human Resources company	

Company	Choose of type the Human Resources company
	of the employees to process.
-	

3. 4.

Process Level / Processing Group	Choose or type a process level to identify employees to process.
	- or -
	Choose or type a processing group to identify employees to process.
Employee Group / Employee Range	Choose or type an employee group to identify employees to process.
	- or -
	Choose or type a range of employee numbers to identify employees to process.
Personnel Action for Terminations	Choose or type up to three personnel action codes for terminations. If a termination action is found for an employee, Grant Management will not create encumbrances for that employee beyond the termination date specified in the pending personnel action record (regardless of the end date in the labor distribution record).
Access the Other Opt	ions page.
Choose options for the	e report. Consider the following fields.
Report Option	Choose Summary (S) to summarize commitments into one line per employee and activity/account category for activity commitments and into one line per employee and General Ledger account for general ledger commitments.
	Choose Detail (D) to print each commitment, including employee and date.
AC Page Break	Choose how page breaks occur in reports containing activity commitments.
	None (N) (Default)
	Activity (A)
	Activity Group (G)
	NOTE Commitments display by activity, even though selections are based on employees.

5. 6.

GL Page Break	Choose how page breaks occur in reports containing general ledger commitments.	
	None (N) (Default)	
	Accounting Unit (A)	
	Company (C)	
	NOTE Commitments display by General Ledger account, even though selections are based on employees.	

- In the Update field, choose No to run GM110 in non-update mode. Review the report to make sure you have selected the correct options and to check for errors.
- 8. In the Update field, choose Yes to run GM110 in update mode. The system calculates and creates activity and general ledger commitment transactions.

Related Reports and Inquiries

То	Use
Print a list of labor distribution records — by employee, activity, or general ledger account	Labor Distribution Listing (GM210)
Print a list of labor distribution records that are about to expire	Labor Distribution Expiration Report (GM410)
View the commitments created	Commitment Detail Analysis (AC98.1) or Commitment Detail Report (AC298)

Troubleshooting Salary Encumbrance Processing (GM110)

If you have no encumbrances when you review your commitments on the report output of Salary Encumbrance Processing (GM110), on Commitment Detail Analysis (AC98.1) for Project Accounting commitments, or on Commitment Analysis (GL94.1) for General Ledger commitments, use the following troubleshooting tips:
Confirm that	Resolution
The Activity Commitment field is set to Yes for system code GM on System Codes (GL01.4), Commitments page. If you create general ledger commitments, the GL Commitments field must also be Yes.	If it is not, set the Commitment field (and optionally, GL Commitments field) to Yes on System Codes (GL01.4) and re-run Salary Encumbrance Processing (GM110) in update mode.
The Salary Encumbrance field is set to Yes on the employee record (Grant Management (HR11.3)).	If it is not, set the Salary Encumbrance field to Yes on Grant Management (HR11.3) and re-run Salary Encumbrance Processing (GM110) in update mode.
The Encumbrance Default field is set to Yes on the Labor Distribution Template Entry (GM10.2).	If it is not, set the Encumbrance Default field to Yes on Labor Distribution Template Entry (GM10.2), then re-run Salary Encumbrance Processing (GM110) in update mode.
The template was approved (the Encumbrance Status field is 1 or 2 on GM10.2).	If the Encumbrance Status field is blank, make sure the labor distribution lines on the template are approved on GM11 or GM115, then re-run Salary Encumbrance Processing (GM110) in update mode.
You specified a budget number in the Budget field on Commitment Analysis (GL94.1). (For General Ledger commitments.)	If you did not, type a budget number in the Budget field and review Commitment Analysis (GL94.1) again.
The budget header's Commitment Budget field on Define Budget (FB20.2) is set to Yes. (For General Ledger commitments.)	If it is not, set the Commitment Budget field to Yes on Define Budget (FB20.2) and re-run GM110 in update mode.
The employee is assigned to a pay plan that has pay periods established for the same dates as covered by the templates.	Labor Distribution Template Entry (GM10.2) will not let you add a template unless the pay plan assigned to the employee has pay periods established for the same dates as the template. In the rare case that the employee's pay plan is changed, and the new pay plan does not have the correct dates, you will have to edit the pay periods on the new pay plan or the template and re-run GM110.

Removing Outstanding Salary and Fringe Encumbrances

NOTE Running Salary Encumbrance Processing (GM110) clears any existing salary and fringe commitments before creating new commitments. Because of timing issues, or because an employee was not paid for a pay period that had commitments, some encumbrance records may not be relieved when you run General Ledger Posting (PR198).

You can remove outstanding salary and fringe encumbrances from activity and general ledger commitment files on Salary Encumbrance Clearing (GM140).

STEPS To remove outstanding labor and fringe commitments

- 1. Access Salary Encumbrance Clearing (GM140).
- 2. Identify employees and a through date. Consider the following fields.

Company	Choose or type the Human Resources company of the employees to process.
Process Level / Processing Group	Choose or type a process level to identify employees to process.
	- Or -
	Choose or type a processing group to identify employees to process.
Employee Group / Employee Range	Choose or type an employee group to identify employees to process.
	- Or -
	Choose or type a range of employee numbers to identify employees to process.
Through Date	Type or choose the date through which labor and fringe commitments should be removed. Commitments dated on or earlier than this date are purged for the employees you identify.

- In the Update field, choose No to run GM140 in non-update mode. Review the report to make sure you have selected the correct employee(s) and dates and to check for errors.
- 4. In the Update field, choose Yes to run GM140 in update mode. The system removes the activity and general ledger commitment transactions for the employees you identified.

Processing Labor Distribution with Lawson Payroll

This chapter explains processing labor distribution in Lawson Grant Management with Lawson Payroll.

If you use Non-Lawson Payroll, see "Overview of Non-Lawson Payroll Transaction Import" on page 195 and "Processing Labor Distribution with Non-Lawson Payroll" on page 213.

When Lawson Payroll is processed, actual salary expenses are charged to grant activities and general ledger accounts (departments) for employees working on grants projects.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 193. The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Does Labor Distribution Processing Do?" on page 184
- "What Makes an Employee Eligible for Labor Distribution Processing?" on page 185
- "How Do Labor Distribution Templates Work With Time Records?" on page 185
- "How Do I Use the Labor Distribution Detail Report?" on page 190

What Does Labor Distribution Processing Do?

As part of the Lawson Payroll process, employee salary expenses and company-paid deductions are charged to grant activities and general ledger accounts (departments). When an employee is subject to labor distribution, these expenses are charged to the activities and general ledger accounts in eligible labor distribution templates.

Payroll Close (PR197) looks for employees eligible for labor distribution. For these employees, PR197 applies the eligible labor distribution templates to each time record in the payroll run to create distributions in the Payroll Distribution file. PR197 also updates an effort transaction file for employees subject to effort. Effort Calculation and Certification Report (GM165) uses this information to create effort reports.

NOTE Payroll Close (PR197) updates payroll history with information from the completed payroll cycle, deletes processed time records from the system, and clears the cycle indicators on Payroll Cycle Status (PR00.1). For more information, see the *Payroll User Guide*.

General Ledger Posting (GL190) relieves any salary encumbrances dated on or earlier than the pay period for eligible employees paid in the payroll run. PR198 also creates Project Accounting (AC) and General Ledger (GL) transactions using information from the Payroll Distribution file. To complete processing, you update these transactions using Activity Posting (AC190), Accounting Unit Balance Post (AC191), and Billing and Revenue Recalculation (BR190).

NOTE Updating company-paid deduction expenses to Project Accounting is optional. If you use burdens to charge employer-paid fringe to grants at a rate, you can avoid overstating the fringe costs in grants by not updating company-paid deduction expense to Project Accounting. To avoid posting company-paid deduction expenses to Project Accounting, set the Post Employer Paid Deductions to AC field on Human Resources Company (HR00.1) to No.

What Makes an Employee Eligible for Labor Distribution Processing?

An employee is eligible for labor distribution processing when the Labor Distribution field is set to Yes on the employee record ((Grant Management (HR11.3)).

Payroll Close (PR197) also populates the Effort Transaction file only if the Effort Reporting field on the employee's record is set to Yes. If you update PR197 and the Effort Reporting field is No, there is no way to go back and capture the data for effort reporting for that pay period.

How Do Labor Distribution Templates Work With Time Records?

Eligibility Rules for Template Selection

Payroll Close (PR197) uses the following rules to determine which template to apply to a time record:

• The template with the most recent effective date with respect to the time record's date is used. For example, if the time record transaction date is October 6, and there are three templates, one effective September 1, one effective October 1, and one effective October 15. The template with the October 1 effective date is used.

 If there are multiple templates for an employee with the same effective date, the template that matches all data in the time record is selected. The template with company and employee only (in other words, no position/no job code or pay code) is the default template if no other template matched the data in the time record. The following flow chart explains how the eligible template is selected:



Daily Time Records Versus Pay Period Time Records

If you have one time record for an entire pay period, changes in labor distribution template dates may make it necessary to redistribute salary costs. For example, the pay period is from December 1 to December 15. You have one labor distribution template with a date range of November 7 to December 9, and a second template with a date range of December 10 to January 30. The December 15 payroll will use the template with the closest date, which is the December 10 template. To associate the employee's hours for December 1 through December 9 to the first template, you will have to create a labor cost transfer.

To more accurately charge labor distribution to grants based on grant start and end dates and to minimize the number of cost transfers required, create one time record for each day in the pay period. You only need daily time for employees who are eligible for labor distribution.

Time records can be created in a number of ways, including: standard time records, Lawson Employee Self-Service Time Entry, direct entry in Lawson Payroll, entry through Microsoft Add-Ins (Excel), or upload from a time collection system.

Implementation Tip You can create an employee group for employees eligible for labor distribution, then use the employee group to create and process standard time records for those employees.

Example — Time Records for Each Day in the Pay Period

Nathan is an hourly employee who is paid weekly. His pay period begins on November 10 and ends November 16.

One of the grants that funds Nathan's salary ends on November 12, and a new grant begins on November 13. Nathan's labor distribution templates look like this:

Template 1

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Template 2

Section 12 Labor Distribution template entry (gm10.2)										Welcome, Lawson User Go To Preferences Help			
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Because time records are created daily, five time records have been created for Nathan for the pay period ending November 16:

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Time Record Date	Pay Code	Hours	Rate of Pay	Wages
November 10	Regular	8	\$25	\$200
November 11	Regular	8	\$25	\$200
November 12	Regular	8	\$25	\$200
November 13	Regular	8	\$25	\$200
November 14	Regular	8	\$25	\$200
			Total	\$1000

The first template is applied to the time records dated November 10, 11, and 12:

Time Record Date	Pay Code	Hrs	Wages	Activity	GL Account	Sal
Nov 10	Reg	8	\$200	NIH Grant 1/Year1	Heart Inst	\$80
				Clinical Trial Grant 1 Yr 2	Heart Inst	\$120
Nov 11	Reg	8	\$200	NIH Grant 1/Year1	Heart Inst	\$80
				Clinical Trial Grant 1 Yr 2	Heart Inst	\$120
Nov 12	Reg	8	\$200	NIH Grant 1/Year1	Heart Inst	\$80
				Clinical Trial Grant 1 Yr 2	Heart Inst	\$120

The second template, effective November 13, is applied to the November 13 and 14 time records:

Time Record Date	Pay Code	Hrs	Wages	Activity	GL Account	Sal
Nov 13	Reg	8	\$200	NIH Grant 1/Year1	Heart Inst	\$80
				Cardiology Clinical	Heart Inst	\$120
Nov 14	Reg	8	\$200	NIH Grant 1/Year1	Heart Inst	\$80
				Cardiology Clinical	Heart Inst	\$120

The 8 hours on each time record are split based on the template's percentages. For example, 40% (3.2 hours), 60% (4.8 hours). Then the \$25 rate is applied to the hours to calculate the distribution amounts.

Nathan's \$1000 total salary is split and applied to the grants he worked on:

- NIH Grant 1/Year 1 = \$400
- Clinical Trial Grant 1 Yr 2 = \$360
- Cardiology Clinical = \$240

Example — One Time Record for the Pay Period

In this example, Nathan has one time record for the pay period November 10 to November 16.

Time Record Date	Pay Code	Hours	Rate of Pay	Wages
November 16	Regular	40	\$25	\$1000

Because the effective date of the second template is November 13, and the time record is dated November 16, template 2 is applied.

Time Record Date	Pay Code	Hrs	Wages	Activity	GL Account	Sal
Nov 16	Reg	40	\$1000	NIH Grant 1/Year1	Heart Inst	\$400
				Cardiology Clinical	Heart Inst	\$600

Note that the Cardiology Clinical absorbs all of Nathan's salary for the week, even though it began in the middle of his pay period. To correct the distribution, a labor cost transfer must be done to reallocate a portion of the labor costs from Cardiology Clinical to the other grant, Clinical Trial Grant 1 Year 2.

How Do I Use the Labor Distribution Detail Report?

The Labor Distribution Detail report shows how templates are applied to time records. You can create the report from Payroll Close (PR197) by choosing Report Only in the Update field and Yes in the Labor Distribution Report field.

It is important to note that if you run Payroll Close (PR197) in Update mode and the Labor Distribution Report field set to No, you cannot get the report.

The report includes time records and the template applied. If the template is successfully applied, the new distributions print, along with the template information and salary percentages. If all the time record's earnings could not be distributed according to the labor distribution template, an error message appears. Refer to the following table.

PR197 Error Message Description

Labor distribution < 100%, time record activity/account used	When the total approved salary percentages are less than 100 percent, one payroll distribution is created for each approved labor distribution line and the remainder of the time record's earnings and hours is charged to the activity and general ledger account from the time record.
	For example, the labor distribution template has three lines. Two lines are approved, each contains a salary percentage of 40 percent. The third line is unapproved and contains a salary percentage of 20 percent. Three payroll distributions are created. The first two are created from the approved lines, charging 40 percent of earnings and hours to the activity and general ledger account in the labor distribution line. The third distribution is for the remaining 20 percent of earnings and hours, but since the distribution line is not approved, it is charged to the activity and general ledger account in the time record.
No approved lines; time record's activity/account used	If no labor distribution templates exist for the employee in the time record, or any existing templates have an effective date in the future with respect to the time record date, one payroll distribution is created using the activity and general ledger account on the time record.
	Only approved labor distribution lines are used to create payroll distribution records. If the most recent labor distribution template has no approved lines, the entire payroll distribution is charged to the activity and general ledger account on the time record. Since previous approvals carry forward to new templates, it is not likely that all labor distribution lines would be unapproved.
Labor distribution end date < TR date; TR actvy/acct used	If the end date in a labor distribution template line is earlier than the date of the time record, the distribution for the line reverts to the activity and general ledger account in the time record, since the template distribution line has expired.
No eligible labor distributions found; TR activity/acct used	If no eligible labor distribution templates exit for the employee, or labor distribution templates are in the future with respect to the time record, the distribution for reverts to the activity and general ledger account in the time record.

Expense for deduction code {0} did not follow pay	If the company-paid deduction does not follow pay, the labor distribution template is not used.
Effort pct used but not approved; TR actvy/acct used	If the planned effort percentage appears in the template distribution lines, but a particular distribution line's status is not approved, the planned effort distribution for that line reverts to the activity and general ledger account in the time record.
Effort pct < 100%; time record activity/account used	If the total planned effort percentages in the approved distribution lines equals less than 100, the remaining planned effort reverts to the activity and general ledger account in the time record.

- If the activity and general ledger account combination from a labor distribution template line is invalid, the payroll distribution for that line will go to error suspense when the transaction is updated during General Ledger Distribution (PR198).
- Earnings amounts and hours in the payroll distribution records will equal the amounts and hours in the time record from which the distribution records were created. Any rounding differences are accommodated in the last distribution record.

Procedures in this Chapter

Use the following procedure to process labor distribution with Lawson Payroll.

"Processing Labor Distribution With Lawson Payroll" on page 193

Processing Labor Distribution With Lawson Payroll

Payroll distribution records are created when employee payments are processed through a Lawson payroll cycle.

Processing a payroll cycle in Lawson can include a wide variety of optional programs. The illustration below identifies the key minimum steps that must always be performed to create payments and interface transactions to Lawson Financials applications.





STEPS To process Lawson Payroll

- 1. Create time records for the employees to be paid in the period. Time records can be created in a number of ways, including: standard time records, Employee Self-Service Time Entry, direct entry in Lawson Payroll, entry through Microsoft Add-Ins (Excel), or upload from a time collection system.
- 2. Calculate gross wages, deductions, and net pay. Earnings and Deductions Calculation (PR140) calculates and reports employee deductions, company deductions, and net pay for all employees with current time records.
- 3. Print the payments that have been calculated and created by Earnings and Deductions Calculation (PR140). Payment Print (PR160) creates system payments and direct deposits from the records created by PR140.
- 4. Close the payroll cycle and create transactions for interfacing to Lawson Financial applications. Payroll Close (PR197) creates labor distribution per the templates defined on Labor Distribution Template Entry (GM10.2).
- 5. Post the transactions generated by the payroll cycle to Lawson Financials. General Ledger Posting (PR198) relieves any salary encumbrances dated on or earlier than the pay period for eligible employees paid in the payroll run. PR198 also creates Project Accounting (AC) and General Ledger (GL) transactions using information from the Payroll Distribution file.

To complete processing, you update these transactions using Activity Posting (AC190), Accounting Unit Balance Post (AC191), and General Ledger Posting (GL190).

Follow-up Task

A good standard practice is to run Salary Encumbrance Processing (GM110) after your payroll cycle, particularly if you run changes only in your Payroll. GM110 removes unrelieved salary encumbrances, and picks up new employees and salary changes.

Chapter 10

Overview of Non-Lawson Payroll Transaction Import

This chapter provides an overview of the non-Lawson payroll transaction import process. Use this process to import records from a non-Lawson payroll system or to import pay records for affiliate employees.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 208. The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Is the Non-Lawson Payroll Transaction Import?" on page 196
- "What Happens When I Process Imported Records?" on page 196
- "How Are Imported Records Validated?" on page 199
- "How Does Labor Distribution Work?" on page 199

What Is the Non-Lawson Payroll Transaction Import?

Lawson Grant Management lets you create labor distribution templates to charge percentages of an employee's salary to grant activities and general ledger accounts (departments) that fund the employee's salary. If your organization does not use the Lawson Payroll application, you can enable labor distribution, relieve salary encumbrances, and capture data for effort reporting by using the Non-Lawson Payroll Transaction Import.

The import process accommodates labor distribution for any employees who are not paid through the Lawson Payroll application, including employees of an affiliated organization who perform work on grants.

Before you can process salary encumbrances or labor distribution for employees paid using a non-Lawson payroll system, employee records must exist in Lawson. For more information, see "Creating and Maintaining Employee Data in Lawson" on page 220.

What Happens When I Process Imported Records?

Processing payroll records for employees not paid using Lawson Payroll begins with populating records in the Non-Lawson Payroll Transaction Import file. The import program, Non-Lawson Payroll Transaction Import (GM500), validates the records, performs labor distribution, relieves salary encumbrances, captures data for effort reporting, and updates the Lawson General Ledger, Project Accounting, and Grant Management applications.

TIP The Non-Lawson Payroll Transaction Import (GMDISTREL) file layout is available from the Documentation Center on support.lawson.com and on the Lawson KnowledgeBase.

How Do I Populate the Non-Lawson Payroll Transaction Import File?

The import file accommodates pay records for any employees who are not paid through the Lawson Payroll application, including employees of an affiliated organization who perform work on grants.

Record Type	Description	Eligible for Labor Distribution?	Populate for non- Lawson Payroll Employees?	Populate for Affiliate Employees?
1	Gross wages	Yes	Yes	Yes
2	Employer-paid expenses	Optional	Yes*	Optional**
3	Employee withholdings	No	Yes	No
4	Net pay (cash)	No	Yes	No
5	Employer-paid expense liability	No	Yes	No
6	Clearing	No	No	Yes

The GMDISTREL import file can include any of the following records:

* If fringe is charged to grants using burdens in Project Accounting, import summary records for employer-paid expenses. If actual fringe costs are charged to grant activities, import detail records for employer-paid expenses by employee. Employer-paid expenses imported in detail are eligible for labor distribution.

** For affiliate pay, employer-paid expenses should be imported in detail by employee when actual fringe is charged from the affiliate organization.

For more information about how to populate the import file, see:

- "How Do I Populate the Import File for Non-Lawson Payroll?" on page 215.
- "How Do I Populate the Import File for Affiliate Employees?" on page 228.

What Happens When I Run Non-Lawson Payroll Transaction Import (GM500)?

Non-Lawson Payroll Transaction Import (GM500) is a multi-phased program. It performs the following functions:

- Validates data in the GMDISTREL interface file to ensure records are populated correctly and are in balance. For more information, see "How Are Imported Records Validated?" on page 199.
- Performs labor distribution for eligible records. For more information, see "How Does Labor Distribution Work?" on page 199.
- Relieves existing encumbrances for the payroll cycle in Project Accounting and General Ledger. For more information, see "How Does GM500 Relieve Encumbrances?" on page 206.
- Creates transactions for the entire payroll cycle in Lawson General Ledger, Project Accounting, and Grant Management. For more information, see "What Files Are Updated by Non-Lawson Payroll Transaction Processing?" on page 206.

How Are Imported Records Validated?

NOTE A run group is a batch identifier assigned to records in the GMDISTREL import file. Non-Lawson Payroll Transaction Import (GM500) validates data in two phases:

Phase 1 batch validations are performed when a GM500 job is added, changed, or submitted. The batch validation checks to make sure a GM500 job is not already in progress for the run group, all records contain the same transaction currency, and the total amount of records in the run group nets to zero by HR company.

Phase 2 data validations make sure the GMDISTREL file is populated correctly and defaults any missing values where appropriate. The Phase 2 data validation ensures:

- The Check ID field is populated when the Record Type is Gross Wages (1)
- All records contain a valid HR company
- Records contain a valid employee for the HR company when the Check ID field is populated
- There is valid currency code and currency relationships for the GL company and activity in the record
- The Expense Code field is populated when the Record Type is Employer-Paid Expense (2) and the Check ID field is populated
- · All records contain a period end date and transaction date
- If the Check ID field is populated, the Pay Plan Code field is populated
- Pay codes and job codes are valid
- General Ledger account information is valid
- Activity and account category information is valid

Error Report

GM500 prints an error report (GM500 error-rpt) if it encounters any data validation problems in the GMDISTREL file. Labor distribution does not occur, and the errors must be corrected to proceed. You can also run this report if you choose Error Report Only in the Report Option field on GM500.

How Does Labor Distribution Work?

After the data validation phases are successfully passed, labor distribution is performed on eligible gross wage and employer-paid expense records.

What Records are Eligible for Labor Distribution?

A record in the GMDISTREL file is eligible for labor distribution if:

The employee in the record is eligible for labor distribution

-and-

• The record is a Gross Wages (1) type or an Employer-paid Expense (2) type that includes a check ID

If the employee is not subject to labor distribution (the Labor Distribution field is set to No on the employee record), no labor distribution template is applied. The activity and General Ledger transactions are created using the general ledger account and activity in the imported record.

How Are Templates Applied During Labor Distribution?

The following rules determine which template is applied to imported transactions:

• The template with the most recent effective date with respect to the imported record's transaction date is used. For example, the transaction date is October 6. There are three templates, one effective September 1, one effective October 1, and one effective October 15. GM500 uses the template with the October 1 effective date.

TIP An employee is eligible for labor distribution processing when the Labor Distribution field is set to Yes on the employee record (Grant Management (HR11.3)). • If there are multiple templates for an employee with the same effective date, the template that matches all data in the imported payroll record is selected. The following flow chart explains how the eligible template is selected:



- When an eligible labor distribution template is found, its lines are used to create labor distribution from eligible imported payroll records. The following rules apply:
 - Only template lines with an approved status are used.
 - When the salary percentages in approved template lines total less than 100 percent, the distribution for the remainder of the earnings or expenses reverts to the activity and general ledger account in the imported record.
 - If the end date in a labor distribution template line is earlier than the payroll record's transaction date, the percentage distribution for that particular line reverts to the activity and general ledger account in the imported record, since the template distribution has expired.
 - If the most recent labor distribution template has no approved lines, the activity and general ledger account in the imported record is used.
 - If no labor distribution templates exist for the employee in the imported payroll transaction or any existing labor distribution templates have an effective date in the future (with respect to the imported record's transaction date), one distribution is created using the activity and general ledger account in the imported record.
 - The posting date for the transactions is specified on GM500.

NOTE GM500 does not provide the capability to split payroll postings over multiple accounting periods (for example, a weekly payroll that falls in two accounting periods is not pro-rated and posted into two periods). In this instance, two batches should be imported for a payroll, one for each applicable accounting period in which the payroll falls.

Daily Payroll Transactions Versus Pay Period Payroll Transactions

If multiple templates are in effect for a pay period, labor distribution will be more accurate if you have a gross wage record for each day in the pay period. For example, the pay period is from December 1 to December 15. One labor distribution template is effective November 7 and a second template is effective December 10. If you import one record dated December 15, the December 10 template is used for the entire payroll and a cost transfer may be necessary to charge the appropriate portion of the payroll to other grants. However, if you import one record for each day in the pay period, the November 7 template is used for records dated December 9 or earlier, and the December 10 template is used for records dated December 10 or later.

The following examples illustrate the difference between importing daily payroll records and importing one payroll record for the pay period:

Example: Multiple Templates for a Pay Period

Nathan is an hourly employee who is paid weekly. His pay period begins on November 10 and ends November 16.

NOTE You only need daily records for employees eligible for labor distribution. Imported records for employees who are not eligible for labor distribution can always be imported in summary. One of the grants that funds Nathan's salary ends on November 12, and a new grant begins on November 13. Nathan's labor distribution templates look like this:

Template 1 - Effective Date 08/07/2004

Activity	Acct Cat	Со	Account	End Date	Salary %
SleepApnea-Yr1	Labor	Metro Hospital	Cardio Research Salaries	08/06/2005	40.000
CardiacRegeneration- Yr2	Labor	Metro Hospital	Cardio Research Salaries	11/12/2004	60.000

Template 2 - Effective Date 11/13/2004

Activity	Acct Cat	Со	Account	End Date	Salary %
SleepApnea-Yr1	Labor	Metro Hospital	Cardio Research Salaries	08/06/2005	40.000
SuddenCardiacDeath- Yr1	Labor	Metro Hospital	Cardio Research Salaries	11/12/2005	60.000

Results: Multiple Records by Date for a Pay Period

Five gross wage records have been imported for Nathan for the pay period ending November 16:

Transaction Date	Pay Code	Wages
November 10	Regular	\$200
November 11	Regular	\$200
November 12	Regular	\$200
November 13	Regular	\$200
November 14	Regular	\$200

The first template is applied to the records dated November 10, 11, and 12:

Trans Date	Wages	Activity	Account	Dist Amt
Nov 10	\$200	SleepApnea-Yr1 CardiacRegeneration- Yr2	Cardio Research Salaries Cardio Research Salaries	\$80 \$120
Nov 11	\$200	SleepApnea-Yr1 CardiacRegeneration- Yr2	Cardio Research Salaries Cardio Research Salaries	\$80 \$120
Nov 12	\$200	SleepApnea-Yr1 CardiacRegeneration- Yr2	Cardio Research Salaries Cardio Research Salaries	\$80 \$120

The second template, effective November 13, is applied to the November 13 and 14 records:

Trans Date	Wages	Activity	Account	Dist Amt
Nov 13	\$200	SleepApnea-Yr1 SuddenCardiacDeath- Yr1	Cardio Research Salaries Cardio Research Salaries	\$80 \$120
Nov 14	\$200	SleepApnea-Yr1 SuddenCardiacDeath- Yr1	Cardio Research Salaries Cardio Research Salaries	\$80 \$120

NOTE Template percentages are also applied to hours in import records.

Results: One Record for a Pay Period

In this example, Nathan has one record for the pay period ended November 16.

Transaction Date	Pay Code	Wages
November 16	Regular	\$1000

Because the record's transaction date is November 16, the template with the November 13 effective date is applied.

Trans Date	Wages	Activity	Account	Dist Amt
Nov 16	\$1000	SleepApnea-Yr1	Cardio Research Salaries	\$400 \$600
		Yr1	Cardio Research Salaries	φυυυ

Note that the SuddenCardiacDeath-Yr1 grant absorbs 60 percent of Nathan's salary for the week, even though the grant began in the middle of his pay period. A labor cost transfer can be done to redistribute a portion of Nathan's salary costs to the CardiacRegeneration-Yr2 grant.

How Do I Use the Transaction Processing Report?

The Non-Lawson Payroll Transaction Import (GM500) Transaction Processing report shows the imported records processed and how labor distribution templates are applied. If there was a problem with the labor distribution template, one of the following messages appears. The error need not be corrected in order to complete processing.

GM500 Message	Description
Labor distribution < 100%, transaction's account used	When the template's salary percentages in approved lines total less than 100 percent, a distribution is created for each approved template line and the remainder of the record's earnings and hours is charged to the activity and general ledger account in the imported transaction.
	For example, the labor distribution template has three lines. Two lines are approved, each contains a salary percentage of 40 percent. The third line is unapproved and contains a salary percentage of 20 percent. Three distributions are created for an import record. The first two are created from the approved lines, charging 40 percent of earnings and hours to the activity and general ledger account in each template line. The third distribution is for the remaining 20 percent of earnings and hours, but since the template line is not approved, it is charged to the activity and general ledger account in the imported record.
No approved lines, transaction's activity/account used	A labor distribution template exists with an effective date on or earlier than the import record's transaction date, but none of the template lines have an approved status. One distribution is created using the imported record's activity and account.

GM500 Message	Description
Labor distribution expired; transaction actvy/acct used	If the end date in a labor distribution template line is earlier than the imported record's transaction date, the template distribution line has expired. The distribution for the line reverts to the activity and general ledger account in the imported record.
No eligible labor distributions found; tran actvy/acct used	If no eligible labor distribution templates exist for the employee, or labor distribution templates are in the future with respect to the imported record's transaction date, one distribution is created using the activity and general ledger account in the imported record.
Effort pct used but not approved; actvy/acct used	If a template distribution line contains a planned effort percentage but the line status is not approved, the planned effort distribution for that line reverts to the activity and general ledger account in the imported record.
Effort pct < 100%; transaction activity/account used	If the planned effort percentages in the approved template lines total less than 100 percent, the remaining planned effort reverts to the activity and general ledger account in the imported record.

How Does GM500 Relieve Encumbrances?

The Non-Lawson Payroll Transaction Import (GM500) automatically relieves Project Accounting and General Ledger commitments generated by Salary Encumbrance Processing (GM110). Encumbrances dated on or earlier than the pay period end date for each employee processed are relieved.

NOTE To ensure encumbrances are up-to-date and to remove any encumbrances for employees for whom imported records were not processed, Lawson recommends running Salary Encumbrance Processing (GM110) after completing the Non-Lawson Payroll Transaction Import (GM500).

What Files Are Updated by Non-Lawson Payroll Transaction Processing?

When run in update mode, Non-Lawson Payroll Transaction Import (GM500) updates the following files: the Grant Management distribution files (used for subsequent cost transfers), effort transaction file (used to create effort reports), and Project Accounting (AC) and General Ledger (GL) transaction files. Run Activity Posting (AC190) and Journal Posting (GL190) to update transactions to AC and GL after GM500 has successfully completed.

NOTE Non-Lawson Payroll Transaction Import (GM500) captures data for effort reporting when the Effort Reporting field on the employee's record is set to Yes. If you run GM500 when the Effort Reporting field is No, there is no way to go back and capture the effort reporting data for the imported transactions.

Procedures in this Chapter

Use the following procedures to create and maintain employee data in Lawson and to import transactions for non-Lawson payroll.

• "Processing the Non-Lawson Payroll Transaction Import" on page 208

Processing the Non-Lawson Payroll Transaction Import

If your organization does not use the Lawson Payroll application or has affiliate employees, you can import pay records into Lawson and run an interface program which creates labor distribution for eligible payroll records, relieves salary encumbrances, and creates and posts transactions to Lawson Financials.

Need More Details? Check out the following concepts:

- "What Is the Non-Lawson Payroll Transaction Import?" on page 196
- "What Happens When I Process Imported Records?" on page 196
- "How Are Imported Records Validated?" on page 199
- "How Does Labor Distribution Work?" on page 199

The illustration below identifies the key steps to process labor distribution and post transactions from a non-Lawson payroll system to Lawson Financials.

Figure 10. Overview of Processing Transactions with Non-Lawson Payroll



STEPS To process non-Lawson payroll records

- 1. Conditional. If you use a non-Lawson payroll system to pay your employees, complete payroll processing in the non-Lawson payroll system.
- Conditional. If you use a non-Lawson payroll system to pay your employees, export payroll transaction data from the non-Lawson payroll system.
- 3. Prepare a comma-separated value (CSV) file containing pay records. The file fields must match the order and data type of the fields in the Non-Lawson Payroll Transaction Import (GMDISTREL) file.
 - If you use a non-Lawson payroll system to pay employees, map the data you exported from the non-Lawson payroll system to the GMDISTREL CSV file.
 - If you are processing pay records for employees of affiliate organizations, populate the pay records into a GMDISTREL CSV file.

The GMDISTREL file layout is available on the Lawson support site (support.lawson.com) and the Lawson Knowledge Base.

- 4. Conditional. If necessary, transfer the CSV file to the server where your environment resides.
- 5. Use the Import command to load the transactions from the CSV file into the GMDISTREL file in the Lawson database. For instructions on using the Import command, see *Lawson Administration: Server Setup and Maintenance*.
- 6. Access Non-Lawson Payroll Transaction Import (GM500). Consider the following fields.

Run Group	Type or choose the run group for which you want to process imported payroll transactions.
	If the run group is being processed in another GM500 job, you cannot add, change, or submit the current GM500 job.

Update	Choose All to run the transaction import in update mode. When you submit the job, GM500 validates data in the GMDISTREL file. If no problems exists GM500 processes labor distribution for eligible records, relieves salary encumbrance commitments for the employees and pay period in Project Accounting and General Ledger, updates effort information, creates Project Accounting and General Ledger transactions for the entire payroll, and clears records for the run group from the GMDISTREL file.
	Choose Partial to perform a partial update. When records for multiple HR companies exist in the run group, you can update records for the companies that pass data validation. Records for all companies in the run group are verified. You can add, change, or submit the job if records for at least one of the run group's HR companies are in balance and contain the same currency.
	 For HR companies where records are in balance and all other data validations are successfully passed, GM500 updates information and clears processed records from the GMDISTREL file.
	 For HR companies where records are not in balance, no updating occurs and the records remain in the GMDISTREL file. You can use Non-Lawson Payroll Transaction Import (GM500) to correct, add, or delete records for the out of balance company. Note that HR company is the "from" company on any intercompany transactions, so it is the company used to evaluate whether transactions are in balance.
	Choose No Report Only to run the import in non-update mode. GM500 performs data validations and any problems appear on the error report. If no errors are found, GM500 processes labor distribution for eligible records but does not update information or remove records form the GMDISTREL file.

Report Option	Choose Error Report Only (1) to print an error listing only. The Update field must be set to No Report Only if you choose this option.
	Choose Labor Distribution Report (2) to print the labor distribution report. If any problems occur during data validation, the error report will print in addition to the labor distribution report.
Post Date	Type the date you want to use for posting transactions to Project Accounting (AC) and General Ledger (GL). This date determines the period to which transactions are posted.
Sort	Choose Sequence Number (1) to sort the labor distribution report by the sequence number assigned in the GMDISTREL import file.
	Choose Check ID (2) to sort the labor distribution report by check ID.

 Conditional. If any data validation errors occur when you add, change, or submit the job, or messages appear on the GM500 error report, you can use Non-Lawson Payroll Transaction Maintenance (GM50.1) to add, change, or delete records from the GMDISTREL file.

If data errors are extensive, you can repair the import file and re-import it. If you chose Partial (P) in the Update field, make sure the import file does not contain records that GM500 already successfully processed.

 After the GM500 job has completed successfully, post transactions to Project Accounting by running Activity Posting (AC190). Then post transactions and burdens generated during activity posting to General Ledger by running Journal Posting (GL190).

TIP You can use the Run Group link on GM50.1 to see the net amount and number of records for all records in a run group, or for all records for a specific Human Resources company within a run group. You can also use the link to delete all records in an existing run group.

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Chapter 11

Processing Labor Distribution with Non-Lawson Payroll

This chapter explains how to manage employee records and prepare payroll transactions to import to Lawson when you pay employees using a non-Lawson payroll system. A procedure overview covering employee setup through salary encumbrance, labor distribution, effort reporting, and labor cost transfer is also included.

For more information about processing labor distributions for employees paid using a non-Lawson payroll system, see "Overview of Non-Lawson Payroll Transaction Import" on page 195 and the procedure "Processing the Non-Lawson Payroll Transaction Import" on page 208.

If you use Lawson Payroll, see "Processing Labor Distribution with Lawson Payroll" on page 183.

When you interface payroll transactions from a non-Lawson payroll system, actual salary expenses are charged to grant activities and general ledger accounts (departments) for employees eligible for labor distribution. The entire payroll is updated to Lawson Financials, including General Ledger.

Instead of using Transaction Interface (GL165) to import transactions from a non-Lawson payroll system to General Ledger and Project Accounting, you can use Non-Lawson Payroll Transaction Import (GM500) to enable labor distribution, relieve salary encumbrances, and capture data for effort reporting. Non-Lawson Payroll Transaction Import (GM500) requires employee records and supporting files in the Lawson Human Resources application.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 218.

The following concepts provide background and conceptual information for the procedures within this chapter.

- "How Do I Set Up My Lawson Applications for Non-Lawson Payroll?" on page 215
- "How Do I Populate the Import File for Non-Lawson Payroll?" on page 215

Use the following guidelines to set up your Lawson applications for processing payroll and labor distribution for employees who are paid using non-Lawson payroll.

Human Resources

You must define employees in the Lawson Human Resources application (on Employee (HR11.1)) to support salary encumbrance, labor distribution, effort reporting, and labor cost transfers.

Use the following guidelines:

- Define a Human Resources (HR) company, including at least one process level. A General Ledger company that matches the HR company number is required. You may find multiple process levels useful for selecting employees when you process salary encumbrances and labor cost transfers, or print reports related to labor distribution templates. Do not specify a BSI company in the HR company or its process levels, since payroll taxes will have been calculated in the non-Lawson payroll system.
- Define pay plans to support pay frequencies for all your employees. For example, you may process payroll semi-monthly or weekly.
- If you define labor distribution templates specific to an employee and pay code or employee and job code, define pay codes or job codes.
- Define one or more status codes to assign to employees. To be eligible for salary encumbrance processing, an employee must be assigned a status code with a status of "Pay Benefits" or "Pay No Benefits." You will also need status codes with a status of "No Pay Benefits" or "No Pay No Benefits" to assign to terminated employees in the Lawson employee file.
- You can use Data Item Attributes (HR10.1) to determine the fields to require on Employee (HR11). When you define employee records, choose the appropriate settings in the Salary Encumbrance, Labor Distribution, and Effort Reporting fields on Grants (HR11.3).

Grant Management

When Human Resources data has been defined, create and approve labor distribution templates for employees to support salary encumbrance, labor distribution processing, and effort reporting.

How Do I Populate the Import File for Non-Lawson Payroll?

Payroll transactions for employees must be populated in the Non-Lawson Payroll Transaction Import file to be processed. Non-Lawson Payroll Transaction Import (GM500) uses this file to relieve salary encumbrances, perform labor distribution, and capture effort information for eligible employees. GM500 updates Lawson Grant Management, Project Accounting, and General Ledger. You should import and process payroll transactions at the end of each payroll cycle.

How to use and manage run groups

All transactions related to the payroll must be populated in the GMDISTREL file under the same run group (batch identifier). All transactions in the run group must balance to zero by Human Resources company.

Lawson recommends that you do not duplicate batch identifiers. To ensure that subsequent data imports do not damage any existing records that are still processing, you should uniquely identify each run group. Suggestions include:

- using a date/time stamp as the run group identifier; for example, use 051605164022 for an import file created on May 16, 2005 at 2:40:22 p.m.
- using the pay cycle and date; for example, use SEMI051505 for a semi-monthly payroll for the pay period ended May 15 2005
- using the company, pay cycle and date

Each record in the import file contains a record type that identifies the transaction as Gross Wages, Employer-Paid Expenses, Employee Withholding, Net Pay, or Employer-Paid Expense Liability. For more information, see "How Do I Populate the Non-Lawson Payroll Transaction Import File?" on page 197. The following sections describe how to populate transactions for each record type.

Populating wage transactions

You can create one or more records in the GMDISTREL file for each employee's gross wages (Record Type 1). Each wage record must include the employee. The transaction date in each record determines which labor distribution template is applied. For the most accurate application of labor distribution templates, you should create one wage record for each day worked, rather than one wage record for the entire pay period.

A check identification is required in wage records. If a check number is not available, populate a unique check ID in each record. Because check ID is used to gather transaction information for subsequent cost transfers, it is important to be sure check IDs are not duplicated in subsequent imports.

Occasionally, all or part of a template cannot be applied to a wage record during labor distribution processing. For example, if a template line is not approved or has expired, it cannot be applied to the wage record. If this occurs, the General Ledger account and activity (if any) in the imported wage transaction is used for the portion of the wage transaction that cannot be distributed according to the template.
Populating employer-paid expense transactions

There are two ways to populate employer-paid expense records in the GMDISTREL file, depending on how you charge these fringe expenses to grants.

 If you charge actual fringe expense to grants, create employer-paid expense records in detail by employee and check ID in the GMDISTREL file. Each record must include check ID, employee, transaction date and expense code. The expense code identifies the expense as employer-paid FICA, Medicare, health insurance, etc.

Employer-paid expense records should include the six-digit general ledger account to determine where the expense gets posted in the General Ledger. A placeholder activity and fringe account category should also be populated in each record. This ensures that the fringe account category is populated in employer-paid expense transactions generated during labor distribution. If no fringe account category is specified in the import record, GM500 populates the error/suspense account category in any employer-paid expense distributions that are charge to a grant rather than the labor account category specified in the labor distribution template.

If you use Project Accounting burdens to charge fringe expense to grants at a rate, you can create summarized or detail employer-paid expense records in the GMDISTREL file. Do *not* include check ID or employee. Employer-paid expense records that do not include a check ID or employee are not eligible for labor distribution and are simply posted to the general ledger account and activity (if any) in the import record. This avoids overstating fringe costs when burdens are calculated on labor posted to grants.

For more information, see "Defining Burdens for Grant Activities" on page 53.

Populating liability and net pay transactions

Transactions for net pay, employee withholdings, and employer-paid expense liability can be imported in detail by check ID and employee, or in summary. These transactions are not eligible for labor distribution processing and will be posted to the General Ledger account and activity (if any) populated in each transaction.

Populating transactions for employees not subject to labor distribution

For employees not subject to labor distribution, payroll transactions are simply posted to the grant activity and general ledger account (department) in the imported record.

Procedures in this Chapter

Use the following procedure to process labor distribution for non-Lawson payroll.

- "Labor Processing Overview—Non-Lawson Payroll" on page 218
- "Creating and Maintaining Employee Data in Lawson" on page 220

NOTE For information about the Non-Lawson Payroll Transaction Import program, see "Overview of Non-Lawson Payroll Transaction Import" on page 195 and the procedure "Processing the Non-Lawson Payroll Transaction Import" on page 208.

Labor Processing Overview—Non-Lawson Payroll

This procedure provides an overview of the business process for salary encumbrance, labor distribution, effort reporting and labor cost transfers

when you pay employees using a non-Lawson payroll system. Links to more specific procedures are provided in the steps below.





STEPS To process labor for employees paid using a non-Lawson payroll system

- 1. Create and maintain employee data in Lawson. For more information, see "Creating and Maintaining Employee Data in Lawson" on page 220.
- Create and maintain labor distribution templates for grant employees. This process is the same for employees paid using Lawson payroll or a non-Lawson payroll. For more information, see "Defining Labor Distribution Templates" on page 150.
- Process salary encumbrances for employees. This process is the same for employees paid using Lawson payroll or a non-Lawson payroll. For more information, see "Processing Salary Encumbrances" on page 177.
- 4. Process transactions from the non-Lawson payroll system to enable labor distribution, relieve salary encumbrances, capture data for effort reporting, and post transactions to Lawson Financials. For more information, see "Processing the Non-Lawson Payroll Transaction Import" on page 208.

- Process effort reporting for employees. The effort reporting process is the same for employees paid using Lawson payroll or a non-Lawson payroll. For more information, see "Processing Effort" on page 251.
- If necessary, process labor cost transfers for employees. For more information, see "Processing Labor Cost Transfer Distributions" on page 303.

Creating and Maintaining Employee Data in Lawson

Grant Management requires the Lawson Human Resources application for basic employee information. To enter labor distribution and cost transfer templates, create salary encumbrances, and support the payroll transaction import process, you must establish and maintain an employee database and supporting files in the Lawson Human Resources application.

Once employee data is established in Lawson, you need to keep employee information current (for example, add new hires, enter terminations and salary changes). Current employee data is important for salary encumbrance processing as well as keeping the employee file and imported transactions in sync.

You also need to define grant-specific information in the employee records. For more information, see "What Setup is Required in Lawson Human Resources for Labor Distribution and Salary Encumbrances?" on page 138.

The illustration below identifies the key steps to create and maintain employee records and supporting data in the Lawson Human Resources application.





STEPS

NOTE For detailed procedures on defining an HR company. process level, pay plans, status codes, pay codes, job codes, data item attributes. and employees, see the Knowledge Base or the Human Resources User Guide and online help.

To create and maintain employee data in Lawson Human Resources

- 1. Define an HR company on Company (HR00.1).
 - The HR company number must correspond to an existing General Ledger company.
 - An address is required on the Address page.
 - On the Options page, specify a Print Order option to determine the order in which employees will print on HR reports.
 - You can accept default values for remaining fields.
 - Do not specify a BSI tax company in the HR company record.
- 2. Define at least one process level on Process Level (HR01.1).

After you define the process level name and description, remaining fields default from the HR company.

3. Define at least one pay plan on Pay Plan (PR21.1).

This form is delivered with the Human Resources application for Grant Management users. Pay plans identify employee pay frequency and are required for salary encumbrance processing and optional pro-rating of labor cost transfers.

Be sure to create pay plans as far into the future as possible to support salary encumbrance processing. For example, if one of your current grants extends five years into the future, define the next five years (or more) for each pay plan.

4. Define status codes on Employee Status Code (HR03.1).

A status is required when you define an employee in the Lawson Human Resources application.

To be eligible for salary encumbrance, an employee must have a status code containing a pay status of "Pay Benefits" or "Pay No Benefits." You should also define at least one status code for employees who are terminated or no longer eligible for salary encumbrances. This status code should contain a pay status of "No Pay Benefits" or "No Pay No Benefits." The employee status code is not checked when you import payroll transactions to Lawson.

5. Optional. If you create Labor Distribution Templates by pay code, define pay codes on Grant Management Pay Code (HR25.1).

For example, if you need to create a labor distribution template to be used specifically for overtime or bonus pay, create pay codes for overtime and bonus pay. Pay codes you populate in the payroll transaction import file are validated against the pay codes you set up here.

- 6. Optional. If you create Labor Distribution Templates by job code, define job codes on Job Code (HR06.1). Job codes you populate in the payroll transaction import file are validated against the job codes you set up here.
- 7. Identify required fields for the Employee (HR11.1) on Data Item Attributes (HR10.1).
 - a. Access Data Item Attributes (HR10.1).
 - b. Enter your HR company and use the topics to set the minimum required field for Employee (HR11) records. A field is required when it has an "X" in the Required column. Use the following table to help you set required fields.

TIP If you use multiple sessions, exit all of them to allow the required fields you set on Data Item Attributes (HR10.1) to take effect.

Торіс	Required Data Items (fields)
Employee Master	Annual Hours
(E1)	FTE
	Name - First
	Name - Last
	Process Level
	Status
Pay Distribution (E2)	Pay Frequency
	Pay Plan
	Rate of Pay
	Salary Class
	NOTE Lawson does not recommend populating default activities or General Ledger accounts in this topic. These accounts do not default into GM files.
Grant Management (EG)	Require some or all, as needed.

NOTE The file layout for the Employee Conversion file is available in the Human Resources Conversion File layouts on the Documentation page of support.lawson.com. For more information on conversions, see the *Human Capital Management Conversion Guide*. Define employees. You can import your employee data from your non-Lawson Payroll system using the Employee Conversion (HR511) program. You can also create individual employee records on Employee (HR11.1). Note that Grant Management-related setup appears on the Grants (HR11.3) subform.

Make sure the Rate of Pay field is populated. If the employee is an hourly employee, also make sure the Annual Hours field is populated and that the FTE field is not set to zero. Employee earnings are based on the employee's pro-rated annual salary. The Human Resources application populates the pro-rated annual salary for hourly employees as Pay Rate*Annual Hours*FTE. For salaried employees, the pro-rated annual salary is the amount populated in the Rate of Pay field. To review an employee's pro-rated annual salary, you can click the Compensation Analysis link on the Pay page to access Compensation Analysis (HR11.2).

 Maintain your employee data by running the Employee Conversion (HR511) regularly. You can use a change function in the CSV file to update changes to employee records. You can also edit individual employee records on Employee (HR11.1).

Chapter 12

Processing Labor Distribution for Affiliate Employees

This chapter explains how to use your Lawson applications to set up, manage and reconcile labor distribution for employees of affiliate organizations. A procedure overview covering employee setup through salary encumbrance, labor distribution, effort reporting and labor cost transfer is included.

For more information about processing labor distributions for employees paid using a non-Lawson payroll system, see "Overview of Non-Lawson Payroll Transaction Import" on page 195 and the procedure "Processing the Non-Lawson Payroll Transaction Import" on page 208.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 239. The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Are Affiliate Employees and Organizations?" on page 226
- "How Do I Set Up My Lawson Applications for Affiliate Employees?" on page 226
- "How Do I Populate the Import File for Affiliate Employees?" on page 228

What Are Affiliate Employees and Organizations?

Academic medical centers, hospitals, and universities often conduct sponsored research that involve their own staff as well as staff who are technically employed by a different institution.

For example, a university may receive a grant that involves its own employees and employees of an affiliated academic medical center. A hospital may receive a grant that involves its own employees and employees of an affiliated physician practice.

Employees who are not technically employed by the grant recipient are referred to as affiliate employees. The institutions who employ the affiliate employees are referred to as affiliate organizations.

You can use Lawson Grant Management to import labor costs for affiliate employees, perform labor distribution, and capture data for effort reporting.

How Do I Set Up My Lawson Applications for Affiliate Employees?

Use the following information to set up your Lawson applications for affiliate employees.

Human Resources

You must define affiliate employees in the Lawson Human Resources application (on Employee (HR11.1)) to support salary encumbrance, labor distribution, effort reporting, and labor cost transfers.

You can establish affiliate employees in their own HR company, or in a separate process level in an existing HR company. If you use a separate HR company, it may be easier to keep the employee numbering scheme used by the affiliate organization, which saves time when you import transactions for labor distribution processing. The HR company requires its own setup, including process level and pay plans. If you use a separate process level in an existing HR company, make sure no affiliate employee numbers are duplicated with your existing employee numbers.

226 Chapter 12 Processing Labor Distribution for Affiliate Employees Whether you use a separate HR company or a separate process level, use these guidelines:

- Define pay plans to support the frequency with which you process labor transactions from the affiliate organization. For example, the affiliate organization may pay its employees semi-monthly, but it may bill you for affiliate labor costs once a month.
- Each affiliate employee's pay (pro-rated annual salary) should reflect the employee's current total gross pay, not the portion of the affiliate employee's pay chargeable to grants. This eliminates the need to manually update annual pay in the Lawson employee file to reflect what is chargeable to the grant recipient at any given time. This also eliminates the need to reverse-engineer template percentages to match current pay chargeable to the grant recipient.
- You may wish to define one or more "affiliate" status codes to identify affiliate employees. To be eligible for salary encumbrance, the status code must be assigned to a payment status of Pay/Benefits (PB) or Pay/No Benefits (PN).
- Choose the appropriate settings in the Salary Encumbrance, Labor Distribution, and Effort Reporting fields in the employee record on Grants (HR11.3).
- The HR company that houses the affiliate employees serves as the "from" company for setting up intercompany relationships in General Ledger. This is important because the from company triggers intercompany transactions when labor distribution is updated. For more information, see "How Do I Populate the Import File for Affiliate Employees?" on page 228.

General Ledger

Define a General Ledger (GL) company for the affiliate organization. The affiliate GL company houses transactions for affiliate employee pay that is not attributable to grants awarded to the grant recipient. Pay not attributable to grants should not impact the grant recipient's income statement. The GL company for the affiliate organization balances transactions for affiliate pay using a salary offset account.

Affiliate pay attributable to grants is charged to your GL company (as the grant recipient) and credited to a receivables account in the GL company you set up for the affiliate organization. To manage the postings between your GL company (as the grant recipient) and the affiliate GL company, define Intercompany Relationships (GL25).

The GL company for affiliate pay should contain at least one accounting unit. Consider the following accounts for the affiliate company's chart of accounts:

Account	Purpose
Salary Due from Grant Recipient	A receivable account defined on Intercompany Relationships (GL25); charged with portion of affiliate employee pay attributable to the grant recipient.
Affiliate Salary Expense	An expense account charged with affiliate employee pay not attributable to the grant recipient.
Salary Offset	A contra account used to balance entries for salary charged to the grant recipient or to the affiliate salary expense account.

For more information, see "Examples: Affiliate Payroll Posting" on page 231.

To minimize maintenance, you can define a company group that contains your GL company and the GL company for affiliate organization. You can use the company group when you post General Ledger transactions on Journal Posting (GL190) and close the period on Period Close (GL199).

Grant Management

As with your employees, create and approve labor distribution templates for affiliate employees to support salary encumbrance, labor distribution processing, and effort reporting.

Because labor distribution templates are subject to change based on funding and personnel availability, Lawson recommends you base the percentages in an affiliate employee's labor distribution templates on the affiliate employee's gross pay. If the affiliate employee does not spend 100 percent of his or her time on a grant, the remainder of the template can be charged to a GL company and account for the affiliate company. If template percentages total less than 100 percent, the remaining pay will be charged to the GL account in the imported affiliate pay record.

How Do I Populate the Import File for Affiliate Employees?

Transactions for affiliate employee pay must be populated in the Payroll Transaction Import file to be processed. Non-Lawson Payroll Transaction Import (GM500) uses this file to process and update labor distribution to Lawson Grant Management, Project Accounting, and General Ledger. You can import transactions for affiliate employees as often as your business practice dictates. Typically, the frequency should correspond with how you pay the affiliate organization. For example:

If the affiliate organization invoices you for affiliate pay once a month, you
can process the affiliate transactions and reconcile them to the invoice
once a month.

- or -

• You can create the import file as frequently as affiliate employees are paid, process labor distribution, and then pay the affiliate organization for the total grant labor distribution.

The GMDISTREL file should include gross wages for affiliate employees. If actual fringe is paid, fringe amounts by employee need to be populated in the file. Fringe at a rate can be accommodated through burdens in Project Accounting, and need not be populated in the GMDISTREL file. Finally, an offset record is required to net the records in the GMDISTREL file to zero. This ensures a balanced entry in General Ledger.

Populating wage transactions

You can create one or more records in the GMDISTREL file for affiliate employee gross wages (Record Type 1). Each wage record must include the employee. The transaction date populated in each record determines which labor distribution template is applied. For the most accurate application of labor distribution templates, create one wage record for each day worked, rather than one wage record for the entire period.

A check identification (Check ID) is required in wage records. If a check number is not available, populate a unique check ID in each record. You may want to keep a separate sequential counter to populate the check ID field in the interface file, or use the affiliate organization's invoice number on which the employee pay is billed plus a sequence counter. Because the check ID field is used to gather transaction information for subsequent cost transfers, it is important to be sure check IDs are not repeated in subsequent imports.

The company, accounting unit, and account in wage records should identify a salary expense account in the affiliate organization's General Ledger company. In cases where GM500 cannot distribute 100 percent of the wage record (for example, the template total was less than 100 percent, or a distribution line is not approved or has expired), this ensures the remaining portion of the wage transaction is charged to the affiliate organization and not the grant recipient.

Populating clearing transactions

Transactions in the GMDISTREL file must be in balance by HR company. This ensures a balanced entry in General Ledger and triggers any necessary intercompany transactions. The clearing transaction (Record Type 6) identifies the offset record(s) required to balance GMDISTREL. Populate the clearing record with a negative amount. For example, if the wage records in the run group total \$50,000, the clearing record should be (\$50,000). You can have one clearing record per employee, or a summarized clearing record for the entire run group. Populate the clearing transaction with the salary offset account in the General Ledger company you create for the affiliate organization. For more information, see "Examples: Affiliate Payroll Posting" on page 231.

Populating employer-paid expense transactions

There are two ways to populate employer-paid expense records in the GMDISTREL file, depending on how the affiliate organization charges for fringe.

 If the affiliate organization charges actual fringe, create employer-paid expense records in detail by employee and check ID in the GMDISTREL file. Each record must include check ID, employee, transaction date and expense code. The expense code identifies the expense as employer-paid FICA, Medicare, health insurance, etc.

Employer-paid expense records should include the six-digit general ledger account to determine where the expense gets posted in the General Ledger. A placeholder activity and fringe account category should also be populated in each record. This ensures that the fringe account category is populated in employer-paid expense transactions generated during labor distribution. If no fringe account category is specified in the import record, GM500 populates the error/suspense account category in any employer-paid expense distributions that are charge to a grant rather than the labor account category specified in the labor distribution template.

If the affiliate organization charges fringe on employee labor at a rate, do not create employer-paid expense transactions in the GMDISTREL file. Project Accounting burdens automatically calculate and charge fringe to grants when labor distribution transactions are updated during Activity Posting (AC190). Burden setup can be managed so that the burden offset is posted to the clearing account for the grant recipient company. Using burdens for fringe provides additional benefits, including retroactive burden calculation when rates change.

For more information, see "Defining Burdens for Grant Activities" on page 53.

For more information, see "Examples: Affiliate Payroll Posting" on page 231.

Tips for Processing Labor Distribution for Affiliate Employees

- If salary percentages are agreed upon in advance with the affiliated organization, it is recommended that GM500's transaction processing report have no exceptions or errors, or that the exceptions or errors are acceptable prior to the GM500 update. For example, if a template distribution line expired or is on hold, the portion of affiliate pay that would have been charged to the grant in the template distribution line is charged instead to the GL account in the imported record (typically an expense account in the affiliate organization's General Ledger).
- Retroactive pay for affiliated employees occasionally occurs. Records for retroactive pay can be populated in the GMDISTREL file and processed through Non-Lawson Payroll Transaction Import. Labor distribution processing uses the template in effect for the transaction date in the imported records.
- Labor cost transfers (redistributions) can be processed to prorate affiliate employee earnings to grants that start or stop within the period initially processed through GM500. This process reverses existing distributions and reclassifies them to new grants. Labor cost transfers have no impact on intercompany Due To/From accounts.

Examples: Affiliate Payroll Posting

Affiliate Employee Spends All Time on Grants

In this example, Adam Smith is an employee of Physician Affiliates, but spends 100 percent of his time and effort on grant-funded research for Metro Hospital. Metro Hospital defined an employee record for Adam Smith in a separate Human Resources company for Physician Affiliates. Metro Hospital also has two separate General Ledger companies, one for Metro Hospital and one for Physician Affiliates.

Metro Hospital created and approved a labor distribution template for Adam Smith. The template is used for salary encumbrance processing and labor distribution.

Template field	Template Line 1Template Line 2		
Activity	Sleep Apnea	Sudden Cardiac Arrest	
Account Category	Affiliate Labor	Affiliate Labor	
GL Company	Metro Hospital	Metro Hospital	
Accounting Unit	Cardio Research	Cardio Research	
Account	Affiliate Salary Expense	Affiliate Salary Expense	
Salary %	60 %	40 %	
Effort %	60 %	40 %	
Status	Approved	Approved	

Labor Distribution Template (GM10.2) detail for Adam Smith

At the end of every month, Metro Hospital imports gross earnings for Adam Smith. The next two tables show how Metro Hospital populates the payroll transaction import (GMDISTREL) file, and the resulting distributions created during Non-Lawson Payroll Transaction Import (GM500).

GMDISTREL field	Gross wage record	Clearing record
HR Company	Physician Affiliates	Physician Affiliates
Employee	Smith	<blank></blank>
Record Type	1	6
GL Company	Physician Affiliates	Physician Affiliates
Accounting Unit	Research	Research
Account	Salaries	Salary Offset
Amount	\$10,000	(\$10,000)
Activity	<blank></blank>	<blank></blank>
Account Category	<blank></blank>	 hank>

Payroll Transaction Import File

Resulting distributions created by Non-Lawson Payroll Transaction Import (GM500)

	Transaction 1	Transaction 2	Transaction 3
HR Company	Physician Affiliates	Physician Affiliates	Physician Affiliates
Employee	Smith	Smith	<blank></blank>
Record Type	1	1	6
GL Company	Metro Hospital	Metro Hospital	Physician Affiliates
Accounting Unit	Cardio Research	Cardio Research	Research
Account	Affiliate Salary Expense	Affiliate Salary Expense	Salary Offset
Activity	Sleep Apnea	Sudden Cardiac Arrest	<blank></blank>
Account Category	Affiliate Labor	Affiliate Labor	<blank></blank>
Amount	\$6,000	\$4,000	(\$10,000)

The distributions contain postings for both Metro Hospital and Physician Affiliates General Ledger companies. Metro Hospital defined these intercompany relationships in General Ledger to manage the postings:

Intercompany Relationships

From Company	To Company	From Company Receivables	To Company Payables
Physician	Metro Hospital	Due from Metro	Due to Physician
Affiliates		Hospital	Affiliates

Note that the HR Company in the imported transaction (Physician Affiliates) aligns with the From Company (Physician Affiliates) on Intercompany Relationships (GL25). During Journal Posting (GL190), the following General Ledger transactions for Metro Hospital are created.

Affiliate Sala	ary Expense	Affiliate	Fringe
\$6,000			
\$4,000			
Due to Physic	cian Affiliates	Accounts	Payable
	\$10,000		

The following General Ledger transactions for the Physician Affiliates company are created.

Due from Metro Hospital		Salary	Offset
\$10,000			\$10,000

Burden Setup and Posting

Metro Hospital pays for Adam Smith's fringe at a rate. Metro Hospital set up burden codes, pools, and rates in Project Accounting to automatically charge fringe on affiliate employee pay charged to grants. The burden setup for affiliate fringe looks like this:

Field	Value
Burden Code	AFFR (Affiliate Fringe)
Driver Type	5 (Account Category)
Pool Driver Values	Account Category = Affiliate Labor
Post-to Account Category	Affiliate Fringe
Post-to GL Account	Affiliate Fringe
Offset GL Account	Due to Physician Affiliates
Burden Rate	30 %

Metro Hospital Burden Setup for Affiliate Fringe

When labor distribution transactions are posted during Activity Posting (AC190), affiliate fringe transactions are created automatically.

Fringe transactions for Adam Smith's labor distribution

	Transaction 1	Transaction 2
HR Company	Physician Affiliates	Physician Affiliates
Employee	Smith	Smith
GL Company	Metro Hospital	Metro Hospital
Accounting Unit	Cardio Research Cardio Resea	
Account	Affiliate Fringe Affiliate Fringe	
Activity	Sleep Apnea Sudden Cardiac	
Account Category	Affiliate Fringe	Affiliate Fringe
Amount	\$1,800	\$1,200

When Journal Posting (GL190) is run, the following General Ledger transactions for Metro Hospital are created:

Affiliate Sala	ary Expense	Affiliate	e Fringe
\$6,000		\$3,000	
\$4,000			
Due to Physi	cian Affiliates	Accounts	Payable
	\$10,000		
	\$3,000		

Journal Posting (GL190) does not generate intercompany transactions because burdens are generated only on labor transactions charged to Metro Hospital Grants.

Remitting Affiliate Pay

Physician Affiliates invoices Metro Hospital for Adam Smith's labor and fringe. Metro Hospital enters the invoice in Lawson Accounts Payable. Because the labor distribution has already been charged to the appropriate grant activities and accounts, the invoice is charged to Metro Hospital's Due to Physician Affiliates account during Invoice Entry (AP20). Accounts Payable automatically credits the Accounts Payable account when the invoice is posted.

Affiliate Sala	ary Expense	Affiliate Fringe
\$6,000		\$3,000
\$4,000		
Due to Physi	cian Affiliates	Accounts Payable
\$13,000	\$10,000	\$13,000
	\$3,000	

Affiliate Employee Spends a Portion of Time on Grants

In this example, Jane Doe is an employee of Physician Affiliates who currently spends 50 percent of her time and effort on grant-funded research for Metro Hospital and 50 percent of her time and effort in her regular department for Physician Affiliates. Metro Hospital has defined an employee record for Jane

234 Chapter 12 Processing Labor Distribution for Affiliate Employees Doe in a separate Human Resources company for Physician Affiliates. Metro Hospital also has two separate General Ledger companies, one for Metro Hospital and one for Physician Affiliates.

Metro Hospital created and approved a labor distribution template for Jane Doe. The template is used for salary encumbrance processing and labor distribution.

Template field	Template Line 1
Activity	Sleep Apnea
Account Category	Affiliate Labor
GL Company	Metro Hospital
Accounting Unit	Cardio Research
Account	Affiliate Salary Expense
Salary %	50 %
Status	Approved

Labor Distribution Template (GL10.2) detail for Jane Doe

At the end of every month, Metro Hospital imports gross earnings for Jane Doe. The next two tables show how Metro Hospital populates the payroll transaction import (GMDISTREL) file, and the resulting distributions created during Non-Lawson Payroll Transaction Import (GM500).

Payroll Tra	nsaction	Import	File
-------------	----------	--------	------

GMDISTREL field	Gross wage record	Clearing record
HR Company	Physician Affiliates	Physician Affiliates
Employee	Doe	<blank></blank>
Record Type	1	6
GL Company	Physician Affiliates	Physician Affiliates
Accounting Unit	Research	Research
Account	Salaries	Salary Offset
Amount	\$10,000	(\$10,000)
Activity	<blank></blank>	<blank></blank>
Account Category	<blank></blank>	<blank></blank>

Resulting distributions created by Non-Lawson Payroll Transaction Import (GM500)

_	Transaction 1	Transaction 2	Transaction 3	
HR Company	Physician Affiliates	Physician Affiliates	Physician Affiliates	
Employee	Doe	Doe	<blank></blank>	
Record Type	1	1	6	
GL Company	Metro Hospital	Physician Affiliates	Physician Affiliates	
Accounting Unit	Cardio Research	Research	Research	
Account	Affiliate Salary Expense	Salaries	Salary Offset	
Activity	Sleep Apnea	<blank></blank>	<blank></blank>	
Account Category	Affiliate Labor	<blank></blank>	<blank></blank>	
Amount	\$5,000	\$5,000	(\$10,000)	

Because the template salary percentages total less than 100 percent, the remainder of Jane's pay is charged to the GL account from the imported record. In this case, the imported record for gross wages was populated with the Salaries account in the Physician Affiliates company.

The distributions contain postings for both Metro Hospital and Physician Affiliates General Ledger companies. Metro Hospital defined these intercompany relationships in General Ledger to manage the postings:

Intercompany Relationships

From Company	To Company	From Company Receivables	To Company Payables
Physician	Metro Hospital	Due from Metro	Due to Physician
Affiliates		Hospital	Affiliates

Note that the HR Company in the imported transaction (Physician Affiliates) aligns with the From Company (Physician Affiliates) on Intercompany Relationships (GL25). During Journal Posting (GL190), the following General Ledger transactions for Metro Hospital are created.

Affiliate Sala	ary Expense	Affiliate	e Fringe
\$5,000			
Due to Physi	cian Affiliates	Accounts	Payable
	\$5,000		

The following General Ledger transactions for the Physician Affiliates company are created.

Salaries	Salary Offset	Due from Metro Hospital	
\$5,000	\$10,000	\$5,000	

Burden Setup and Posting

Metro Hospital pays for Jane Doe's fringe at a rate. Metro Hospital set up burden codes, pools, and rates in Project Accounting to automatically charge fringe on affiliate employee pay charged to grants. The burden setup for affiliate fringe looks like this:

Field	Value
Burden Code	AFFR (Affiliate Fringe)
Driver Type	5 (Account Category)
Pool Driver Values	Account Category = Affiliate Labor
Post-to Account Category	Affiliate Fringe
Post-to GL Account	Affiliate Fringe
Offset GL Account	Due to Physician Affiliates
Burden Rate	30 %

Metro Hospital Burden Setup for Affiliate Fringe

When labor distribution transactions are posted during Activity Posting (AC190), affiliate fringe transactions are created automatically.

	Transaction 1
HR Company	Physician Affiliates
Employee	Doe
GL Company	Metro Hospital
Accounting Unit	Cardio Research
Account	Affiliate Fringe
Activity	Sleep Apnea
Account Category	Affiliate Fringe
Amount	\$1,500

Fringe transaction for Jane Doe's labor distribution

When Journal Posting (GL190) is run, the following General Ledger transactions for Metro Hospital are created:

Affiliate Salary	Expense	Affiliate	Fringe
\$5,000		\$1,500	
Due to Physician	Affiliates	Accounts	Payable
	\$5,000		
	\$1,500		

Journal Posting (GL190) does not generate intercompany transactions because burdens are generated only on labor transactions charged to Metro Hospital grants.

Remitting Affiliate Pay

Physician Affiliates invoices Metro Hospital for Jane Doe's labor and fringe. Metro Hospital enters the invoice in Lawson Accounts Payable. Because the labor distribution has already been charged to the appropriate grant activities and accounts, the invoice is charged to Metro Hospital's Due to Physician Affiliates account during Invoice Entry (AP20). Accounts Payable automatically credits the Accounts Payable account when the invoice is posted.

Affiliate Sala	ary Expense	 Affiliate	e Fringe
\$5,000		\$1,500	
MH Clearing	(Due to PA)	 MH Accour	nts Payable
\$6,500	\$5,000		\$6,500
	\$1,500		

Procedures in this Chapter

Use the following procedures to set up and process data for affiliate employees.

- "Labor Processing Overview—Affiliate Employees" on page 239
- "Creating and Maintaining Employee Data for Affiliate Employees in Lawson" on page 241
- "Remitting and Reconciling Affiliate Employee Costs" on page 246

NOTE For information about the Non-Lawson Payroll Transaction Import program, see "Overview of Non-Lawson Payroll Transaction Import" on page 195 and the procedure "Processing the Non-Lawson Payroll Transaction Import" on page 208.

Labor Processing Overview—Affiliate Employees

This procedure provides an overview of the business processes for salary encumbrance, labor distribution, effort reporting, and labor cost transfers for

employees of affiliate organizations. Links to more specific procedures are provided in the steps below.

Figure 13. Overview of Labor Processing for Affiliate Employees



STEPS To process labor for affiliate employees

- 1. Create and maintain affiliate employee data in Lawson. For more information, see "Creating and Maintaining Employee Data for Affiliate Employees in Lawson" on page 241.
- Create and maintain labor distribution templates for affiliate employees. This process is the same for employees paid using Lawson payroll or a non-Lawson payroll. For more information, see "Defining Labor Distribution Templates" on page 150.

- Process salary encumbrances for affiliate employees. This process is the same for employees paid using Lawson payroll or a non-Lawson payroll. For more information, see "Processing Salary Encumbrances" on page 177.
- Process affiliate pay records to enable labor distribution, relieve salary encumbrances, capture data for effort reporting, and post transactions to Lawson Financials. For more information, see "Processing the Non-Lawson Payroll Transaction Import" on page 208.
- Remit and reconcile labor costs for affiliate employees. For more information, see "Remitting and Reconciling Affiliate Employee Costs" on page 246.
- Process effort reporting for affiliate employees. This process is the same for employees paid using Lawson payroll or a non-Lawson payroll. For more information, see "Processing Effort" on page 251.
- If necessary, process labor cost transfers for affiliate employees. For more information, see "Processing Labor Cost Transfer Distributions" on page 303.

Creating and Maintaining Employee Data for Affiliate Employees in Lawson

Grant Management requires the Lawson Human Resources application for basic employee information. To enter labor distribution and cost transfer templates, create salary encumbrances, and support the payroll transaction import process, you must establish and maintain an employee database and supporting files in the Lawson Human Resources application.

Once employee data is established in Lawson, you need to keep employee information current (for example, add new hires, enter terminations and salary changes). Current employee data is important for salary encumbrance processing as well as keeping the employee file and imported transactions in sync.

You also need to define grant-specific information in the employee records. For more information, see "What Setup is Required in Lawson Human Resources for Labor Distribution and Salary Encumbrances?" on page 138. The illustration below identifies the key steps to create and maintain affiliate employee records and supporting data in the Lawson Human Resources application.



Figure 14. Overview of Affiliate Employee Setup in Lawson Human Resources

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STEPS

NOTE For detailed procedures on defining an HR company, process level, pay plans, status codes, pay codes, job codes, data item attributes, and employees, see the Knowledge Base or the *Human Resources User Guide* and online help.

PS To create and maintain affiliate employee data in Lawson Human Resources

1. Define an HR company on Company (HR00.1).

You can house affiliate employees in an existing HR company, but Lawson recommends setting up a separate HR company for affiliate employees. This ensures that no affiliate employee numbers are duplicated with your existing employee numbers.

If you define a separate HR company for affiliate employees:

- Note that the HR company number must correspond to an existing General Ledger company.
- On the Address page, an address is required.
- On the Options page, specify a Print Order option to determine the order in which employees will print on HR reports.
- You can accept default values for remaining fields.
- Do not specify a BSI tax company in the HR company record.
- 2. Define at least one process level on Process Level (HR01.1). If you use the same HR company for regular employees and affiliate employees, establish at least one process level for the affiliate employees.

After you define the process level name and description, remaining fields default from the HR company. Make sure a BSI tax company is not specified in any process level for affiliate employees.

3. Define at least one pay plan on Pay Plan (PR21.1). This form is delivered with the Human Resources application for Grant Management users. Pay plans identify employee pay frequency and are required for salary encumbrance processing and optional pro-rating of labor cost transfers.

For affiliate employees, the pay frequency can identify how frequently you pay the affiliate for affiliate employee labor costs. For example, the affiliate organization may pay its employees semi-monthly, but they bill you for affiliate labor costs monthly.

Be sure to create pay plans as far into the future as possible to support salary encumbrance processing. For example, if one of your current awards extends five years into the future, define the next five years (or more) for each pay plan.

4. Define status codes on Employee Status Code (HR03.1). A status is required when you define an employee in the Lawson Human Resources application.

To be eligible for salary encumbrance processing, an affiliate employee must have a status code containing a pay status of "Pay Benefits" or "Pay No Benefits." You should also define at least one status code for affiliate employees who are terminated or no longer eligible for salary encumbrances. This status code should contain a pay status of "No Pay Benefits" or "No Pay No Benefits." The affiliate employee status code is not checked when you import pay records to Lawson.

- 5. Conditional. If you use the Lawson Personnel Administration application, make sure the HR company and process level for affiliate employees do not use formal positions:
 - a. Access Position Rules (PA06.1).

- b. Enter the HR company and process level.
- c. Choose No in the Use Formal Positions field.
- 6. Optional. If you create Labor Distribution Templates by pay code, define pay codes.

For example, if you need to create a labor distribution template to be used specifically for overtime or bonus pay, create pay codes for overtime and bonus pay. Pay codes you populate in the payroll transaction import file are validated against the pay codes you set up here.

If you use Lawson Payroll to pay your employees, you can define pay codes on Pay Code (PR20.4). If you do not use Lawson Payroll, define pay codes on Grant Management Pay Code (HR25.1).

- Optional. If you create Labor Distribution Templates by job code, define job codes on Job Code (HR06.1). Job codes you populate in the payroll transaction import file are validated against the job codes you set up on PR20.4 or HR25.1.
- 8. If you defined a separate HR company for affiliate employees, identify required fields for the Employee (HR11.1) on Data Item Attributes (HR10.1).
 - a. Access Data Item Attributes (HR10.1).
 - b. Enter your HR company and use the topics to set the minimum required field for employee (HR11) records. A field is required when it has an "X" in the Required column. Use the following table to help you set required fields.

TIP If you use multiple sessions, exit all of them to allow the required fields you set on Data Item Attributes (HR10.1) to take effect.

Торіс	Required Data Items (fields)
Employee Master	Annual Hours
(E1)	FTE
	Name - First
	Name - Last
	Status
Pay Distribution (E2)	Pay Frequency
	Pay Plan
	Rate of Pay
	Salary Class
	NOTE Lawson does not recommend populating default activities or General Ledger accounts in this topic. These accounts do not default into GM files.
Grant Management (EG)	Require some or all, as needed.

NOTE The file layout for the Employee Conversion file is available in the Human Resources Conversion File layouts on the Documentation page of support.lawson.com. For more information on conversions, see the Human Capital Management Conversion Guide.

 Define employees. You can import affiliate employee data using the Employee Conversion (HR511) program. You can also create individual employee records on Employee (HR11.1). Note that Grant Management-related setup appears on the Grants (HR11.3) subform).

Make sure the Rate of Pay field is populated and reflects the affiliate employee's current total salary, not the portion of salary currently attributable to grants. If the employee is an hourly employee, also make sure the Annual Hours field is populated and that the FTE field is not set to zero. Employee earnings are based on the employee's pro-rated annual salary. The Human Resources application populates the pro-rated annual salary for hourly employees as Pay Rate*Annual Hours*FTE. For salaried employees, the pro-rated annual salary is the Pay Rate. To review an employee's pro-rated annual salary, you can click the Compensation Analysis link on the Pay page to access Compensation Analysis (HR11.2).

 Maintain your employee data by running the Employee Conversion (HR511) regularly. You can use a change function in the CSV file to update changes to employee records. You can also edit individual employee records on Employee (HR11.1).

Remitting and Reconciling Affiliate Employee Costs

The following procedures provide some general guidelines on how you can remit labor costs with or without an invoice from the affiliate organization, and how to reconcile any balances due to the affiliate organization.

For more information, see "Examples: Affiliate Payroll Posting" on page 231.

STEPS To remit labor costs if the affiliate organization invoices you for affiliate labor

• Process the invoice in Lawson Accounts Payable and post it to the "Due to Affiliate Organization" account charged as a result of GM500's update to General Ledger.

STEPS To remit labor costs if the affiliate organization does not invoice you for affiliate labor

 Determine the total due to the affiliate organization from the balance in the your company's "Due to Affiliate Organization" account. To support the balance with transaction detail, you can use Resource Charge Report (AC440) or create an AC transaction report writer report for selected affiliate employees and dates.

In Accounts Payable, use a manual check or the pay immediately functionality to create the remittance to the affiliate organization. The remittance amount should be posted to the "Due to Affiliate Organization" account charged as a result of GM500's update to General Ledger.

STEPS To reconcile amounts due to the affiliate organization

• After the invoice is updated and posted to General Ledger and Project Accounting (using AP175, GL190, and AC190), the balance in the "Due to Affiliate Organization" account should be cleared.

You can run detail transaction reports in General Ledger and Project Accounting to help with reconciliation. Some adjusting entries may be required in the event that GM500's labor distribution processing did not round to the exact amount of the invoice.

IMPORTANT To make reconciliation easier, each Accounts Payable invoice or remittance should be reconciled with transactions from its corresponding GM500 run before subsequent invoices and GM500 runs are processed.

Chapter 13

Effort Reporting and Certification

This chapter explains how to process effort in Lawson Grant Management for effort reporting.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 251. The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Is Effort?" on page 248
- "How Are Effort Transactions Created?" on page 249
- "What Is Effort Reporting and Certification?" on page 250

What Is Effort?

Effort is the percent of time and work an employee spends on tasks. There are two types of effort: sponsored effort and non-sponsored effort.

- Sponsored effort is the percent of an employee's time spent on funded grants or projects that occurs in an effort reporting period. The work the employee does is for the grant or funded project. However, the costs associated with the time may be covered by funds from the sponsor or by funds from the organization itself. Amounts posted to cost sharing activities represent effort expended on a grant or project where the funding comes from the organization conducting the research.
- Non-sponsored effort is the percent of an employee's time spent on non-funded work that occurs in an effort reporting period. These tasks are not federally or externally funded. Examples of non-sponsored effort include time spent teaching, on patient care, or administrative tasks.

Planned Effort and Actual Effort

Planned effort is the percentage of time and work an employee plans to charge or commit to projects. Planned effort can include both sponsored activities and non-sponsored tasks.

Actual effort is the percent of time and work an employee charges or commits to projects. Actual effort applies to both sponsored activities and non-sponsored tasks.

How Are Effort Transactions Created?

Effort transactions are created when you process employee payroll by running Payroll Close (PR197) for Lawson Payroll, or Non-Lawson Payroll Transaction Import (GM500). The programs use the following rules to calculate and create effort transactions:

- Effort applies only to earnings and does not apply to employer-paid expenses.
- When the employee is subject to effort reporting (in other words, the Effort Reporting field is set to Yes on the employee record HR11.3), effort transactions are created from payroll distribution records.
- The effort transaction includes the activity, if applicable, and general ledger account from the payroll distribution record. An activity is not required in an effort transaction.
- The effort transaction's salary amount is the same as the corresponding payroll distribution's amount.
- Tracking planned effort is optional.
- If you want to track planned effort, the employee must be subject to both effort reporting and labor distribution (in other words the Labor Distribution and Effort Reporting fields are set to Yes on HR11.3). Your labor distribution templates need to contain planned effort percentages. When the employee is also subject to labor distribution, effort transactions' effort amounts are calculated using earnings from time records multiplied by the effort percentage from the labor distribution template.
- As with payroll distributions, if the labor distribution template is not approved, the effort transaction will use the activity (if applicable) and general ledger account from the time record.

What Is Effort Reporting and Certification?

An effort report is a statement certifying the payroll distribution and cost sharing charges accurately reflect effort expended. Effort reporting and certification is a requirement for most sponsored research; organizations must certify the effort expended on various projects to their sponsors. Effort reporting applies to employees working on sponsored projects. An effort report can show the actual percent of pay to an employee for a pay period, the planned effort, actual effort expended, and the funding sources from which the employee was paid.

The effort report divides an employee's effort into sponsored and non-sponsored sections. The sponsored section includes cost sharing.

- Sponsored effort are activities where the Sponsored Effort field is Yes on Activity (AC10.1).
- Cost share effort are activities defined as cost share on Cost Sharing (GM01.2)
- Non-sponsored effort are activities where the Sponsored Effort field is No on Activity (AC10.1), or for effort posted to general ledger accounts only (and no activity).

To create effort records, you must set effort reporting on the employee record (Grant Management (HR11.3)).

If you want to include planned effort on your effort report, you must enable labor distribution on the employee record and process labor distribution templates.

If you do not want to include planned effort on your effort report, effort transactions based only on actual pay can be created either with labor distribution templates or with regular time records.

Your organization can address effort retroactively. In some cases, effort will drive the redistribution of salary costs to grants. For more information, see "What Are Labor Cost Transfers?" on page 270.

Who Certifies Effort?

Any employee can be set to certify effort. A primary and optional secondary certifier is set for each employee in the employee file (on Grant Management (HR11.3)). For example, your organization may have employees certify their own effort, with a supervisor set as the secondary certifier.

When the primary certifier certifies effort for an employee on Primary Certifier (GM65.3), a date and time stamp and the user identification is logged to the record as an audit trail. The same data is logged to the record for the secondary certifier, if used.

Procedures in this Chapter

Use the following procedures to process effort in Grant Management.

- "Processing Effort" on page 251
- "Running the Effort Report" on page 254
- "Adjusting a Planned Effort or Salary Percentage" on page 260
- "Updating Actual Effort for an Employee" on page 263
- "Certifying Effort" on page 266
- "Setting Up Lawson ProcessFlow for Certifying Effort" on page 267
- "Setting Up Lawson ProcessFlow to Notify Certifiers of Effort Variances" on page 268

Processing Effort

Processing effort for effort reporting involves several tasks. Use the following illustration and procedure to help you process effort and create an effort report.

Figure 15. Overview of Processing Effort


STOP Before you can process effort for effort reporting, make sure the following has been completed:

The employee is set up for effort reporting on Grant Management (HR11.3).

The payroll cycle is complete, and you have run Payroll Close (PR197) or Non-Lawson Payroll Tran Import (GM500).

STEPS To process effort for effort reporting

- To calculate effort for the grant activities that had planned effort or salary costs charged to them in the current report period, run Effort Calculation and Certification Report (GM165) with the Report Option field set to Calculate Effort (1). Review the report.
- 2. Enter actual effort percentages on Actual Effort Entry (GM65.2).
- 3. (Optional) Use Effort Rounding Adjustment (GM66.1) to adjust the calculated salary or planned effort percentage on an effort line if the total salary is not equal to 100 percent or if the total planned effort is not equal to 0 percent or 100 percent.

NOTE Due to rounding variances, planned effort percentages calculated when you run Effort Calculation and Certification Report (GM165) may result in total percentages that do not quite equal 100 percent. Use this form to adjust the percentage on one line so that all the lines total 100 percent.

- (Optional) To review actual effort percentages on the effort report, re-run Effort Calculation and Certification Report (GM165) with the Report Option field set to Print Only (3).
- 5. (Optional) If you need to complete labor cost transfers before effort is certified, run Effort Variance Report (GM465). GM465 lets you review variance amounts for employees, including differences between actual effort and planned effort and differences between actual effort and salary to determine if you need to do any labor cost transfers.
- 6. (Optional) If you create labor cost transfers, you may need to recalculate effort.
 - a. Run Effort Calculation and Certification Report (GM165) again with the Report Option field set to Recalculate Effort (2).
 - b. Use Actual Effort Entry (GM65.2) to re-enter actual effort for the employees who had changes.

- c. Use Effort Rounding Adjustment (GM66.1) to adjust or re-adjust the calculated salary or planned effort percentage so the total is 100 percent.
- Certify effort on Primary Certifier (GM65.3). Also on Secondary Certifier (GM65.4), if required.
- 8. To determine if any effort records have not been certified, run Effort Exception Report (GM265).
- 9. (Conditional) If some effort records have not been certified, certify the outstanding effort records
- 10. (Optional) To confirm that no other uncertified records exist, re-run Effort Exception Report (GM265).
- To validate the effort information and create an audit copy of the effort certification report, re-run Effort Calculation and Certification Report (GM165) with the Report Option field set to Print Only (3).
- 12. (Optional) To review variance amounts for employees, run Effort Variance Report (GM465). Use the variance report to determine if you need to do any labor cost transfers.

Running the Effort Report

An effort report is a statement certifying the payroll distribution and cost sharing charges accurately reflect effort expended. You run Effort Calculation and Certification Report (GM165) to calculate and print this information.

When you complete the payroll cycle by running Payroll Close (PR197) or Non-Lawson Payroll Transaction Import (GM500), the application uses the employee time records to create effort distributions. Effort Calculation and Certification Report (GM165) uses these effort distributions to calculate effort percentages for each employee and effort reporting period.

You can optionally print the effort certification report several times in the effort reporting process.

- You can print the report after payroll close and before entering actual effort to see what grant activities had planned effort or salary costs charged to them in the current report period.
- You can print it again after you enter actual effort on Actual Effort Entry (GM65.2) and before the effort is certified to review actual effort percentages on the effort report.
- You can print it again after you have adjusted rounding variances on Effort Rounding Adjustment (GM66.1) so that the total planned effort and salary percentages equal 100%.
- You will print the report again after effort has been certified on Primary Certifier (GM65.3) and optionally Secondary Certifier (GM65.4) to create an audit copy of the effort report.

STOP Before you run an effort report, the payroll cycle must be closed. (For Lawson Payroll, this means you have run Payroll Close (PR197) For non-Lawson payroll, you have run Non-Lawson Payroll Tran Import (GM500).)

STEPS To calculate effort and create the effort report

- 1. Access Effort Certification Report (GM165), Main page.
- 2. Identify the employees and reporting period you are running the effort report for. Consider the following fields.

HR Company	Required. Choose or type the Human Resources company of the employees you are running the effort report for.
Process Level / Processing Group	Choose or type a process level to identify employees to process.
	- or -
	Choose or type a processing group to identify employees to process.
Employee Group / Employee Range	Choose or type an employee group to identify employees to process.
	- or -
	Choose or type a range of employee numbers to identify employees to process.
Reporting Period	Required. Choose or type a date range for the effort transaction information to include in the report.
	Both the begin and end date in this range are used in the effort records. The reporting period is important to keep the records unique. If you use the wrong date range, you will have to go back and calculate effort again using the correct dates. You cannot simply use the recalculate report option.
	When you close a payroll cycle (PR197 or GM500), an effort transaction file is updated with detailed effort distributions for employees who are subject to effort reporting. When GM165 creates effort reports, it uses this effort transaction file. Transactions with dates that fall within the effort reporting period are selected and processed, and determine the calculated salary and planned effort percentages on the effort report.

Report Option	Choose how you want the report to run.
	Calculate Effort (1)
	Recalculate Effort (2)
	Print Only (3)
	Calculate Effort creates effort records in the Grant Management system. If records already exist for the employee and date range, the program checks the status of the effort records. If effort record status is Calculated (1) or Entered (2), the program will not create new records. If the record status is Partially or Completely Certified (3 or 4), then a new record will be created with a new sequence number. The program output will show the new record.
	Recalculate Effort replaces any existing effort records with new records if the status of the existing records is Calculated (1) or Entered (2). The program output shows the effort report records that were re-created.
	NOTE Any actual effort entered on the existing effort report (including any lines manually added on GM65.2) are lost.
	Print Only prints existing effort records, and does no calculation.

Print Only Sequence Number	Type a sequence number to determine which effort records to include in the report when you use the Print Only Report Option. A blank field means the report prints records with a sequence number equal to zero.
	NOTE You cannot use this field with the Calculate or Recalculate Report Options because those options create records and assign the appropriate sequence numbers.

3. On the Other Options tab, identify the percentages to include in the report, and, optionally, the pay codes to be excluded from the report. Consider the following fields.

Calculate Cost Share	Choose Yes or No to determine if the values in the cost share column on GM65 and the GM165 report should be calculated.
	The cost share percentage is a computation of the planned effort percentage minus the salary percentage.
	Choose No if you do not use planned effort percentages, defined on Labor Distribution templates or Labor Cost Transfer templates.
	If you choose Yes and there is no planned effort percentages in the templates, the cost share percentages will be negative.
	NOTE This field does not control if activities you defined as cost share on Cost Share (GM01.2) print on the report.
Capture Committed Effort	Choose Yes in this field to capture the committed effort for the effort report. To actually display the effort percentage, you must also choose Yes in the Committed Effort field. Committed effort comes from the value entered in the Committed Effort field on Award Personnel (GM03.1)for the activity (or its parent) that appears in the effort report line.

Salary	Choose Yes to display a salary column on the report.
	Salary percentages are calculated using effort transaction data created during the payroll close cycle (PR197 or GM500). The salary percentage for each effort report line is calculated as the pro rata share of the total amount paid to the employee during the effort reporting period.
	If you choose No, the percentages display as zeros.
Planned Effort	Choose Yes to display a planned effort column on the effort report.
	Planned effort percentages are calculated using effort transaction data created during the payroll close cycle (PR197 or GM500). During this process, planned effort percentages are translated to planned effort amounts in the effort transaction file. The planned effort percentage for each effort report line is calculated as the pro rata share of the total planned effort "amount" for the employee for the effort reporting period.
	If you choose No, the percentages display as zeros.
Cost Share	Choose Yes to display a cost share column on the effort report.
	The cost share percentage is a computation of the planned effort percentage minus the salary percentage. You must also choose Yes in the Calculate Cost Share field for this cost share percentage to be calculated.
	Choose No, if you do not use planned effort percentages on Labor Distribution Templates (GM10.2) or Labor Cost Transfer Templates (GM12.2). If you choose No, the percentages display as zeros.
	NOTE If you choose No in the Calculate Cost Share field, there is no cost share percentage to display.
Committed Effort	Choose Yes to show a Committed Effort percentage column on the report.
	You must also choose Yes in the Capture Committed Effort field to capture the committed effort defined on Award Personnel (GM03.1).

Institution	Choose or type the institution ID that contains the certification text that you want to appear on the effort report.
	NOTE This field only retrieves certification text. It is not used as a filter criteria for grant activities to include on the report.
Exclude Pay Codes	You can choose up to 10 pay codes to identify certain types of pay that should be excluded from the Effort Report, such as bonus pay or certain types of vacation or overtime pay.
	TIP If you enter exclude pay codes, you cannot enter an exclude pay class.
	IMPORTANT You cannot change or enter new pay codes to exclude when you run GM165 with the Print Only (3) option in the Report Option field on the Main page. Print Only prints data already calculated, so the pay codes excluded when effort was calculated (or recalculated) are the only pay codes excluded when you Print Only.
Exclude Pay Class	You can select a pay class to exclude from the report all the pay codes associated with the pay class.
	TIP If you enter an exclude pay class, you cannot enter exclude pay codes.
	Pay classes are defined on Pay Class (PR20.1). They consist of a list of pay summary groups. Pay summary groups are defined on Pay Summary Groups (PR20.2), and associated with a pay class on Pay Summary Group Relationships (PR20.3). Pay summary groups are also associated with pay codes on Pay Codes (PR20.4).
	Therefore, when you exclude a pay class, you exclude all the pay codes that are associated with the pay summary groups that comprise the pay class.

4. On the Output Options tab, identify the report output options. Consider the following fields.

Sort	Choose how you want the data sorted on the report.
	Department/Employee (1)
	Primary Certifier (2)
	Secondary Certifier (3)
	Department/Employee is actually Company/ProcessLevel/Department/Employee
	NOTE e-Broadcast is available with different breaks, based on sort.
ProcessFlow Trigger	Choose Yes or No to indicate if you are using Lawson ProcessFlow for effort certification.
	NOTE You must have ProcessFlow installed and the Effort Cert service enabled.
Print Comments	Indicate whether you want to print line comments (2), header comments (3), both header and line comments (4), or no comments at all (1) on the report. The default is No (1).
	NOTE This option is meaningful only if you are running the report with Report option 3 (Print Only). If you are recalculating effort reports, any comments that were entered on GM65.2 will be lost. If you are calculating for the first time, no comments can exist yet.
	IMPORTANT Avoid using a print comments option if you are creating a CSV file. Comments

Adjusting a Planned Effort or Salary Percentage

Due to rounding variances, planned effort percentages calculated when you run Effort Calculation and Certification Report (GM165) with report option 1 (Calculate Effort) or report option 2 (Recalculate Effort) may result in total percentages that do not quite equal 100 percent. Use Effort Rounding

tend to cause problems for CSV files.

Adjustment (GM66.1) to adjust the percentage on one line so that all the lines total 100 percent. If cost sharing is used, you can adjust cost sharing as well.

NOTE Any adjustments you make after runningEffort Calculation and Certification Report (GM165) with option report 1 (Calculate Effort) will be erased if you rerun Effort Calculation and Certification Report (GM165) with the same parameters and option report 2 (Recalculate Effort). You may then have to reenter your adjustments.

IMPORTANT This form applies to planned effort or salary percentages only. This form does not affect actual effort percentages and the rules that they are subject to.

STEPS To adjust an effort or salary percentage

- 1. Access Effort Rounding Adjustment (GM66.1).
- 2. Choose Next to access the effort report you want to adjust.

NOTE Only non-certified effort reports where the total effort percentage is not equal to 0 percent or 100 percent and non-certified effort reports where the total salary percentage is not equal to 100 percent are displayed on this form.

3. Access the line where you want the adjustment to be absorbed.

IMPORTANT Only one line can be selected to absorb the adjustment on any given effort report.

Consider the following fields.

FC Select Change.

Select the appropriate adjustment option.

Planned Effort (1): If the Total Planned Effort is not equal to 0 percent or 100 percent, this option adjusts the total planned effort to 100 percent and changes the line's planned effort percentage to absorb the difference.

Planned Effort and Cost Share (2): If Total Planned Effort is not equal to 0 percent or 100 percent, this option adjusts the total effort percentage in the line to absorb the differences and recalculates the cost share percentage for the line. The cost share percentage is the planned effort percentage minus the salary percentage.

Salary and Cost Share (4): If Total Salary is not equal to 100 percent, this option adjusts the total salary to 100 percent, changes the line to absorb the cost, and recalculates the cost share percentage for the line. The cost share percentage is the planned effort percentage minus the salary percentage.

Salary (3): If Total Salary is not equal to 100 percent, this option adjusts the total salary to 100 percent and changes the line's salary percentage to absorb the difference.

IMPORTANT Options 1 and 2 are allowed only if the planned effort is not equal to 0 percent or 100 percent. Options 3 and 4 are allowed only if the salary total is not equal to 100 percent.

adjustment when you choose the Change action.

PlanDisplay only. This field displays the calculated
planned effort percentage from Payroll Close
(PR197) or Non-Lawson Payroll Transaction
Import (GM500). These programs create and
save planned effort percentages based on labor
distribution template.If you select this line to adjust the total effort
percentage, this field will change to reflect the

Adj

Salary	Display only. This field displays the calculated salary percentage from Payroll Close (PR197) or Non-Lawson Payroll Transaction Import (GM500). These programs create and save planned effort percentages based on labor distribution template.
	If you select this line to adjust the total salary percentage, this field will change to reflect the adjustment when you choose the Change action.
Cost	Display only. This field displays the cost share percentage applied to the effort. This percentage is calculated optionally in Effort Calculation and Certificaton Report (GM165): (Planned Effort Percent) - (Calculated Salary Percent) = (Cost Share Percent)
	If you select this line to adjust the cost share percentage (with the effort percentage or salary percentage), this field will be recalculated to reflect the adjustment.
Act	Display only. This field displays the actual effort percentages, as entered on Actual Effort Entry (GM65.2). If values exist in this field, the total percentage for this field is always 100 percent; otherwise, this field is zero.

4. Choose Change to save the adjustment.



WARNING After efforts reports have been adjusted to 100 percent, they are no longer accessible from this form. If you accidentally adjusted the wrong line, the only way to correct your mistake is to run Effort Calculation and Certification Report (GM165) again with the Recalculate Effort option and then reenter the adjustment on a different line.

Updating Actual Effort for an Employee

Use Actual Effort Entry (GM65.2) to update the actual effort percentage for an employee.

STOP Before you enter actual effort, run Effort Calculation and Certification Report (GM165) to see what grant activities had work performed in them in the current report period.

STEPS To update actual effort percentages for an employee

1. Access Actual Effort Entry (GM65.2).

You can access Actual Effort Entry (GM65.2) directly and choose an employee, or you can use Effort Certification Filter (GM65.1) to view multiple employee records. Enter information in the filter fields at the top of the form to narrow the records that display. On GM65.1, locate the employee line you want to edit, and choose Details next to the record.

IMPORTANT If you do not have access to the company and process level that an employee belongs to, the employee's record(s) will not display.

2. Optional. Choose the Add Line link to access Add Effort Line (GM65.6). Use this form to add an effort line that contains effort spent in an activity or department (GL company/accounting unit) that does not appear on the effort report. You can change or delete manually entered lines.

IMPORTANT Lines that are added manually will be erased if you rerun GM165 with the Recalculate option.

- Activity Select the activity associated with the effort report. If you select an activity, you cannot select a GL company and accounting unit. GL Company and Select the GL company and accounting unit Accounting Unit associated with the actual effort. If you select a GL company, you must also select an accounting unit. You must select either an activity or a GL company and accounting unit; you cannot select both. **Actual Effort** You can type the percentage of planned effort to be transferred to the activity or GL company/accounting unit specified; negatives are not permitted. NOTE You can enter the effort percentage on this form, or on GM65.2 after you have added this effort line. The total actual effort percentages for all the lines on GM65.2 must equal 100 percent.
- a. On GM65.6, consider the following fields.

- b. Choose the Add form action to add the line to GM65.2.
- 3. Optional. Choose the Comments link to add comments to the report at the header level.

NOTE You can also add line-level comments from the FC field. Comments at either level are erased if you rerun GM165 with the Recalculate option.

4. Choose a value in the FC field and the Change action to add or change an actual percentage for a line, to delete a manually entered line, or to default the planned effort reporting percentage for a line to the actual salary percentage field (system-generated lines only).

Consider the following fields.

Ln (Line)	Display only. This field displays the effort record line number.
Activity/Acct Unit	Display only. This field displays the activity or accounting unit associated with the effort record.
Committed	Display only. This field contains the salary percentage that is committed for this employee and activity. Committed time is entered on Award Personnel (GM03.1).
Planned	Display only. This field displays the calculated planned effort percent from Payroll Close (PR197) or Non-Lawson Payroll Transaction Import (GM500). These programs create and save planned effort percentages based on labor distribution templates.
Salary	Display only. This field displays the calculated salary percent from Payroll Close (PR197) or Non-Lawson Payroll Transaction Import (GM500).
Cost Share	Display only. This field displays cost share applied to effort. This percentage is optionally calculated in GM165: (Planned Effort Percent) - (Calculated Salary Percent) = (Cost Share Percent)

Act (Actual)Enter the actual effort percentage for the activity
or General Ledger company and accounting
unit. Total effort for an employee must equal 100
percent.TIPYou can use the Default (T) function code
to default the planned effort percentage into the
Actual Effort Percentage field on a line-by-line

5. When you are ready to certify the effort report, you can choose the Primary Certifier or Secondary Certifier link to access Primary Certifier (GM65.3) or Secondary Certifier (GM65.4). Use these forms to certify the effort.

basis.

NOTE These links do not display if the effort is already "Completely Certified." The Secondary Certifier link displays only if a secondary certifier was defined for the employee on Employee Grant Management (HR11.3).

Related Reports and Inquiries

То	Use
Print a list of the employees and	Effort Variance Report (GM465)
variance amounts for effort.	Use this report to see where labor cost transfers may be needed (if variances exist). The report contains two variance amounts: the difference between the actual effort percentage and the planned effort percentage, and the difference between the actual effort percentage and the salary percentage.

Certifying Effort

TIP Once you have certified effort records, run Effort Certification Report (GM165) and choose Print Only (3) in the Report Option field to create an audit copy of the effort report. Use Primary Certifier (GM65.3) or Secondary Certifier (GM65.4) to certify effort. If you use a secondary certifier, the effort records must be certified by the primary certifier first before the secondary certifier can certify.

STEPS To certify effort

1. Access Primary Certifier (GM65.3) or Secondary Certifier (GM65.4).

NOTE You can access Primary Certifier (GM65.3) from Actual Effort Entry (GM65.2). Choose Primary Certifier (next to the Filter link). Secondary Certifier displays only if a secondary certifier is set up for the employee. 2. Certify effort for the employee. Consider the following fields.

Certified

Choose Yes to certify the effort for the employee.

If you are the primary certifier, and only a primary certifier is required, the effort status changes to Completely Certified (4). If both a primary and secondary certifier exist, the effort status is Partially Certified (3).

If you are the secondary certifier, the effort status changes to Completely Certified (4).

NOTE You cannot "uncertify" effort records once they have been certified. You can, however, recalculate effort to create new records with a new sequence number.

Related Reports and Procedures

То	Use
Print a list of effort records that are not certified.	Effort Exception Report (GM265)

Setting Up Lawson ProcessFlow for Certifying Effort

You can use Lawson ProcessFlow to certify effort. The ProcessFlow service for effort certification is triggered when effort certification records are created on Effort Calculation and Certification Report (GM165) or when Effort Certification Report (GM265) is run.

IMPORTANT For effort certification using ProcessFlow to work, you must:

- Enable the Effort Certification (Effort Cert) service in ProcessFlow.
- Define the Effort Cert criteria of HR company, Primary Certifier, and Secondary Certifier in ProcessFlow.
- Create a flow file. You can write your own or edit the effortcert.flo ProcessFlow Solutions template (available from the download page at support.lawson.com).
- Upload the flow file to your server.

For information on how to design services and flows and use ProcessFlow, see the *ProcessFlow Administration Guide*.

For descriptions of available services and the ProcessFlow Solutions templates, see the *ProcessFlow Reference Guide*.

Setting Up Lawson ProcessFlow to Notify Certifiers of Effort Variances

You can use Lawson ProcessFlow to notify the primary certifier about variances between actual effort and planned effort percentages or actual effort and salary percentages. The ProcessFlow service for effort variance is triggered when Effort Variance Report (GM465) is run and variances exist above the tolerance specified on the report parameters.

IMPORTANT For effort variance notification using ProcessFlow to work, you must:

- Enable the Effort Variance (Effort Variance) service in ProcessFlow.
- Define the Effort Variance criteria of HR company and Primary Certifier in ProcessFlow.
- Create a flow file. You can write your own or edit the effortvariance.flo ProcessFlow Solutions template (available from the download page at support.lawson.com).
- Upload the flow file to your server.

For information on how to design services and flows and use ProcessFlow, see the *ProcessFlow Administration Guide*.

For descriptions of available services and the ProcessFlow Solutions templates, see the *ProcessFlow Reference Guide*.

Setting Up Labor Cost Transfers

This chapter explains how to create labor cost transfer templates in Lawson Grant Management. Labor cost transfer templates are used during labor cost transfer processing to redistribute labor costs after-the-fact.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 274. The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Are Labor Cost Transfers?" on page 270
- "How Do I Set Up Labor Cost Transfer Templates?" on page 271
- "How Do I Approve Labor Cost Transfer Templates?" on page 273
- "Should I Use Labor Cost Transfers for Retroactive Pay?" on page 273

What Are Labor Cost Transfers?

Labor cost transfer redistribute labor costs to grant activities and/or General Ledger accounts after normal labor distribution has occurred. Cost transfers may be needed as a result of effort certification or changes in salary caps, funding status, or employee status.

To create labor cost transfers, you create a labor cost transfer template for an employee for a specific period of time. The template's lines must be approved by an appropriate person (such as a grant administrator or principal investigator). Once the template is approved, you can process labor cost transfers. For employees paid with Lawson Payroll, use Labor Cost Transfer Processing (GM170). For employees paid using a non-Lawson payroll system, or for affiliate employees who do work funded by your grants, use Non-Lawson Payroll Cost Transfer (GM171). These batch routines create reversing and adjusting entries to redistribute eligible costs, capture information for effort reporting, and maintain links to the initiating cost transfer template.

When Do I Need a Labor Cost Transfer?

The following situations are examples of when you might need labor cost transfers:

Effort reporting

Effort reporting can drive the redistribution of labor costs to grants. For example, a researcher's labor distribution template charges 60 percent of her time to a specific grant. The remaining 40 percent of her time is spent in clinic and is charged to her regular department (general ledger account). On her effort report, the researcher certifies that she spent 70 percent of her time on research funded by the grant and 30 percent of her time in clinic. You can do a cost transfer to redistribute her labor costs for the effort reporting period. Depending on the situation, may also need to create a new labor distribution template to charge future encumbrances and labor distribution as 70 percent to the grant and 30 percent to clinic.

Unapproved or expired labor distribution templates

Labor distribution processing ignores labor distribution template lines that are not approved or have expired. The portion of the employee's salary that was to have been charged to a grant and general ledger account in the template distribution line is charged to the grant and general ledger account in the original time record or imported labor record. You may need to process a cost transfer to redistribute that portion of the employee's salary to the appropriate grant or department.

One time record or imported labor record for a pay period

If you use Lawson Payroll and create one time record per employee for a pay period, or if you use a non-Lawson payroll system and import one labor record per employee for a pay period, the labor distribution template in effect for the date in the time or import record applies to labor costs for the entire pay period. You may need to do a labor cost transfer if multiple templates apply to the dates covered by the pay period.

For example, the effective date of an employee's labor distribution template is November 28. Another labor distribution template for the employee is effective on December 10. You process payroll for the pay period of December 1 through December 15 with one time record dated December 15. The template effective December 10 applies to the entire pay period. To charge the portion of the employee's salary from December 1 through December 9 to the distributions in the template effective on November 28, you can do a labor cost-transfer with pro-rating.

How Do I Set Up Labor Cost Transfer Templates?

You can define a labor cost transfer template for an employee and a specific date range.

You can use Labor Cost Transfer Template Entry (GM12.2) to define labor cost templates one at a time, or you can use Labor Cost Transfer Template Creation (GM466) to automatically create labor cost transfer templates for selected employees when actual-to-salary or actual-to-planned effort variances exceed a user-defined tolerance.

NOTE If you use GM466, you will still use Labor Cost Transfer Template Entry (GM12.2) to review and/or modify the created templates, and Labor Cost Transfer Template Approval (GM13.1) or Labor Cost Transfer Template Entry (GM12.2) to approve them.

Cost transfer template lines represent what the employee's labor distribution should have been for the date range. In each template line, you identify the grant activity and general ledger account with the salary percentage. If you track planned effort for effort reporting, you can also enter a planned effort percentage. Salary and effort percentages must total 100 percent for all distribution lines before the template can be approved and processed.

You can attach comments to the cost transfer template to document why the cost transfer is being made. Comments can be attached to the template header and to individual template distribution lines.

Because you can pro-rate redistributions during labor cost transfer processing, only one unprocessed template per employee and date range is allowed at any given time. Date ranges cannot overlap for unprocessed templates. For example, you must process a template defined for May 16 to May 27 before you can define a template for the same employee that covers May 11 to May 18.

You can enter a pay code and/or job code or position on a template. That means the template applies only to records containing the specified pay code, job code, or position for the employee. For example, a template defined for an employee and pay code REG (regular pay) results in redistributions only for existing distribution transactions containing pay code REG. Regardless of whether you enter a pay code, job code, or position on a template, overlapping date ranges for unprocessed templates are not allowed.

When you process labor cost transfers using Labor Cost Transfer Processing (GM170) or Non-Lawson Payroll Cost Transfer (GM171), you specify the posting date to be used for the reversing and redistribution transactions. If the date range in the template spans multiple accounting periods, all reversing and adjusting entries are posted to the period in which the posting date falls. To post cost transfers to multiple accounting periods, create separate cost transfer templates with date ranges for each period and process labor cost transfers by period.

After the cost transfer template has been processed successfully, its processing status is changed to "Updated." This prevents the cost transfer template from being processed again, and allows new templates to be entered with date ranges that overlap the processed template's date range.

How Do I Approve Labor Cost Transfer Templates?

Once you define labor cost transfer templates, you must release the labor cost transfer template lines so they can be approved and processed. All template lines must be approved to make the template eligible for Labor Cost Transfer Processing (GM170) or Non-Lawson Payroll Cost Transfer (GM171).

Releasing labor cost transfer template lines:

- Changes the template line status to Released
- Makes the labor cost transfer template lines eligible for approval

If you use Lawson ProcessFlow to route labor cost transfer templates for approval, releasing labor cost transfer lines triggers the ProcessFlow service for labor cost transfer approval.

There are several methods to approve labor cost transfer templates:

- If you entered the template and have authority to approve it, you can use the Approve form action on Labor Cost Transfer Template Entry (GM12.2) to approve all template lines immediately.
- If you want to approve multiple template lines at once in a batch process, use Labor Distribution Mass Status Change (GM115). Note that this program is NOT recommended if you use Lawson ProcessFlow.
- If someone other than the template creator needs to approve templates and Lawson ProcessFlow is not implemented, use Labor Cost Transfer Template Approval (GM13.1) to approve the template lines.
- If someone other than the template creator needs to approve templates and Lawson ProcessFlow is implemented, the Labor Cost Transfer Approval service will have been triggered. The person(s) responsible for approving each template line will use Labor Cost Transfer Approval (GM13.2).

Should I Use Labor Cost Transfers for Retroactive Pay?

No. Labor cost transfers reallocate existing labor distributions. The labor cost transfer process does not create retroactive pay for employees.

When employees are owed retroactive pay, you can process it normally through Lawson Payroll. For employees paid using a non-Lawson payroll system, or for employees of affiliate organizations who work on your grants, process retroactive pay using Non-Lawson Payroll Transaction Import (GM500). The normal labor distribution template in effect for the time record or transaction date populated in the retroactive pay records is used to create labor distribution during Payroll Close (PR197) or Non-Lawson Payroll Transaction Import (GM500). Labor cost transfers are necessary only if labor distribution created when retroactive pay was processed needs to be corrected.

NOTE Labor cost transfer lines can also be placed on hold. The cost transfer template cannot be processed if even one template line is on hold.

Procedures in this Chapter

Use the following procedures to create labor cost transfer templates.

- "Defining Labor Cost Transfer Templates" on page 274
- "Generating Labor Cost Transfer Templates Automatically" on page 278
- "Approving Labor Cost Transfer Template Lines Immediately" on page 282
- "Approving Multiple Labor Cost Transfer Templates at Once" on page 283
- "Approving Labor Cost Transfer Templates" on page 285
- "Approving Labor Cost Transfer Template Lines with Lawson ProcessFlow" on page 288
- "Setting Up Lawson ProcessFlow for Labor Cost Transfer Approvals" on page 290

Defining Labor Cost Transfer Templates

TIP Run Labor Cost Transfer Template Creation (GM466) to automatically create labor cost transfer templates for selected employees when actualto-salary or actual-toplanned effort variances exceed a user-defined tolerance. Use Labor Cost Transfer Template Entry (GM12.2) to define a single labor cost transfer template.

Labor cost transfer templates identify how an employee's earnings should be redistributed for a given period of time. The cost transfer also applies to employer-paid expenses if actual fringe was charged to grants. During labor cost transfer processing, eligible earnings and expense postings are automatically reversed and redistributed to the activities and accounts in the template.

You can set up a cost transfer template to apply to all earnings for an employee, or employee earnings for a particular pay code, job code, or position. Labor cost transfer templates must be approved to be eligible for processing. Unprocessed templates for the same employee with overlapping date ranges are not permitted.

Need More Details? Check out the following concepts:

"How Do I Set Up Labor Cost Transfer Templates?" on page 271

STEPS To define a labor cost transfer template

1. Access Labor Cost Transfer Template Entry (GM12.2).

TIP You can use Labor Cost Transfer Template Filter (GM12.1) to see multiple existing templates. Enter information on the filter fields at the top of the form to narrow the number of records that appear. On GM12.1, locate the employee line you want and choose Details to access Labor Cost Transfer Template Entry (GM12.2).

2. Enter the information for the labor cost transfer template. Consider the following fields.

HR Company	Choose the employee's Human Resources company.
Employee	Choose an employee.
	The employee does not have to be subject to labor distribution, since cost transfer templates are for reclassifying past payroll distributions. Also, cost transfers may be processed for an employee who is currently not eligible for pay.
	TIP You can attach comments to the template explaining why the cost transfer is being made when the cursor is in the Start Date field.
Job Code / Position	Optional. If you want the template to apply to existing distributions that contain any job code or position, leave the Job Code and Position fields blank.
	- or -
	Choose a job code. The template will apply only to existing distributions containing the job code you specify. Do not enter a job code if the Position field is populated.
	- or -
	Choose a position. The template will apply only to existing distributions containing the position you specify. The employee must be subject to position rules and the position must be in effect for the entire time period covered by the template. Do not enter a position if the Job Code field is populated.
Pay Code	Optional. If you want the template to apply to existing distributions that contain any pay code, leave the Pay Code field blank.
	- or -
	Choose a pay code. The template will apply only to existing distributions containing the pay code you specify.

Start Date and End Date	Choose or type the start and end dates for the cost transfer template.
	Start and end dates in labor cost transfer templates that have not been processed cannot overlap date in any other unprocessed labor cost transfer templates for the same employee. For example, a template for employee 9317 and pay code REG starts July 1 and ends July 15. Its Processing Status is Not Updated. If you enter another template for employee 9317, its start and end dates must occur before July 1 or after July 15. After you successfully process the first labor cost transfer template, its Processing Status changes to Updated and you can create a template for the employee with dates that overlap the July 1 to July 15 range.
	If you do not pro-rate earnings during labor cost transfer processing, the distribution's transaction (time record) date must fall on or within the template's start and end dates to be eligible for cost transfer. For example, the template starts April 11 and ends April 15. The pay period begins April 4 and ends April 17. The transactions for the pay period are dated April 10 and April 17. Since April 10 and April 17 are outside the template period, they are not selected for processing.
	If you pro-rate earnings during labor cost transfer processing, any distribution transaction that falls in a pay period covered by the template dates is eligible. For example, the template starts April 11 and ends April 15. The pay period begins April 4 and ends April 17. The transactions for the pay period are dated April 10 and April 17. Because earnings are pro-rated by pay period and template dates without regard to transaction date, the transactions are selected for processing.
	TIP Labor Cost Transfer Processing (GM170) and Non-Lawson Payroll Cost Transfer (GM171) allow one posting date per run. To post cost transfer results to more than one accounting period, create multiple templates using start and end dates that align with General Ledger and Project Accountingcalendars, and process labor cost transfers by period.

Processing Status (display only)	This field is populated automatically and indicates whether labor cost transfer processing has been completed for the template.
	Not Updated — assigned to new templates
	Updated — assigned when template has been successfully processed by Labor Cost Transfer Processing (GM170) or Non-Lawson Payroll Cost Transfer (GM171)
	You cannot modify or delete a template with an Updated status.
Sequence	If you need to create more than one cost transfer template for the same date range for a given employee, job code, or position, and pay code, a sequence number is required in each subsequent template. This preserves the original template and its links to the labor cost transfer transactions.
Reason Code	Select the reason code for the labor cost transfer. Reason codes of type CT (cost transfer) are defined in Codes (GM02.1).
Activity	Optional. Choose or type the posting activity and detail account category for the distribution. This is the grant activity and account category to which labor costs should be transferred.
	TIP When the cursor is in the FC (Function Code) field, you can attach comments to each template line explaining why the cost transfer is being made.
Co (Company)	Choose or type the General Ledger company to which labor costs should be transferred.
Account	Choose or type the General Ledger accounting unit and account to which labor costs should be transferred.
Salary	Type the percentage of salary to be cost transferred to the activity and General Ledger account. You cannot enter a negative percentage. The salary percentage can be zero if you enter a planned effort percentage.
	NOTE The salary percentage total for all lines in the template must equal 100 percent in order to release, approve, and process the cost transfer template.

Effort Percentage	Optional. Type the percentage of planned effort to be cost transferred. Planned effort is tracked for use in effort reporting. You cannot enter a negative percentage. The planned effort percentage can be zero you enter a salary percentage.
	You can enter an effort percentage regardless of how the Effort Reporting field is set in the employee's grant management options. The Effort Reporting field in the employee record indicates if the employee is currently eligible for effort reporting and instructs the system to capture effort information during Payroll Close (PR197) or Non-Lawson Payroll Transaction Import (GM500). Because cost transfers occur for historical data, this field is not checked during cost transfer template entry.
	NOTE If you enter effort percentages, the total effort for all lines in the template must equal 100 percent in order to release, approve, and process the cost transfer template.

- 3. Optional. Click More to access Additional Information (GM12.3). You can use this form to create Strategic Ledger user analysis values for the new distribution. User analysis values are populated in the new payroll distribution transactions created during labor cost transfer processing.
- 4. When you have added the cost transfer template, release the template lines so they can be approved. (In the FC field for each line, type or choose Release (R) and click the Change form action.)

Related Reports and Inquiries

То	Use
Print a list of labor cost transfer templates by employee	Labor Cost Transfer Template Listing (GM212)

Generating Labor Cost Transfer Templates Automatically

Run Labor Cost Transfer Template Creation (GM466) to automatically create labor cost transfer templates for selected employees when actual-to-salary or actual-to-planned effort variances exceed a user-defined tolerance.

The program populates templates with the actual effort percentage from the effort report. If cost sharing is associated with a funded activity, the funded activity is calculated as *actual effort - cost share* and the cost share pay percentage is maintained.

The program creates labor cost transfer templates in Unreleased, Released, or Hold status. You can use GM12.1 to review and edit the templates, and GM 13.1 to approve them.

STEPS To create multiple labor cost templates automatically

- 1. Access Labor Cost Transfer Template Creation (GM466).
- 2. Use the Main tab to select the set of employees for whom labor cost transfer templates are created.

HR Company	Required. Type or choose the Human Resources (HR) company of the employees for whom you want to create templates.
Process Level	You can type or choose a process level to create templates only for employees associated with that process level.
	If you choose a process level, you cannot choose a processing group.
Processing Group	You can type or choose a processing group to create templates only for employees associated with that processing group.
	If you choose a processing group, you cannot choose a process level.
Employee Group	You can type or choose an employee group to create templates only for employees associated with that employee group.
	If you choose an employee group, you cannot choose a range of employees.
Employee Range	You can type or choose an employee range to create templates only for employees associated with that employee range.
	lf you choose an employee range, you cannot choose an employee group.
Reporting Period	Required. Type or choose the reporting period begin and end dates. The begin and end dates you enter here must match the begin and end dates on the effort records you want to include in the report.

Sequence Number	You can type a sequence number to select only effort records with that sequence number. If you leave this field blank, the program selects only effort records with a blank sequence number.
	NOTE A sequence number exists for an effort record only if subsequent effort reports are generates for an employee and reporting period

after the effort has been certified.

3. Use the Other Options tab to specify the efforts report statuses eligible for labor cost transfer creation, the variance tolerance used to trigger template creation, and the account categories and accounts to be entered on the created labor cost transfer templates.

Include Statuses	Check the effort report status or statuses to include in the run. If you leave these fields blank, Yes is assumed.
	NOTE Templates created from "Entered" reports let you process the cost transfer templates and recalculate the effort report before certification occurs.
Variance Tolerance	You can enter a tolerance value (percentage). This lets you include only those employees who have variances of a significant value.
	If you leave this field blank all variances, no matter how small, cause a labor cost transfer template to be created.
	The variances can be applied to the actual effort to salary or actual effort to planned percentages.
Apply Variance Tolerance To	Choose which variance number to apply the variance tolerance to:
	Actual - Planned (1)
	Actual - Salary (2)
	The default is Actual - Salary (2)
Print Comments	Indicate whether you want to print line comments (2), header comments (3), both header and line comments (4), or no comments at all (1) on the report. The default is No (1).

	Account Category Option	Indicate which account category to use when labor cost transfers are created.
		 Choose E to choose the employee account category (from HR11.1).
		 Choose A to choose the activity account category (from AC10.1).
		• Leave this field blank to use the account category you specify in the Override Account Category field.
	Override Account Category	Required. Choose an override account category in this field. The program uses this account category when creating cost transfers if the Account Category option field is blank or if an employee or activity record being processed does not have an account category assigned.
	Account	Indicate which GL account to use when labor cost transfers are created.
		Choose E to choose the employee account (from HR11.1).
		 Choose A to choose the activity account (from AC10.1).
		 Leave this field blank to use the account you specify in the Override Account field.
	Override Account	Required. Choose an override account in this field. The program uses this account when creating cost transfers if the Account option field is blank or if an employee or activity record being processed does not have an account assigned.
		Optional. You can also choose an override subaccount. The program uses this subaccount when creating cost transfers if the Account option field is blank or if an employee or activity record being processed does not have a subaccount assigned.
4.	Use the Update options tab to indicate the status of the labor cost transfe templates created by the program and to indicate whether the program should be run in update or non-update mode.	
	Cost Transfer Template Status	Choose the line status for all lines of the created labor cost transfer templates: Unreleased, Released, or Hold.
		NOTE Labor cost transfer templates cannot be approved by this program. You can edit the created labor cost transfer transfers on GM12.2 and approve them on GM13.1 or GM12.2.

Update	 Choose No (the default) to run this program in non-update mode so you can generate an error/exception report without actually creating the templates.
	NOTE This is a recommended step to allow you to make adjustments to the report before running it in update mode.
	 Choose Yes to run the program in update mode and actually create labor cost transfer templates along with the exception/error report.
	IMPORTANT When you run the report in update mode, the program creates whatever labor templates it can create. After you correct errors, you can rerun the report with the same job. We recommend, however, that you create a new job just for the missing templates. Rerunning the same job before the already created templates are processed through GM170 or GM171 will cause those templates to appear on the exception/error report.

5. Run the program.

Approving Labor Cost Transfer Template Lines Immediately

Once you create and release labor cost transfer template lines, they must be approved before the template is eligible for Labor Cost Transfer Processing (GM170) or Non-Lawson Payroll Cost Transfer (GM171).

If you entered the template and have authority to approve it, you can use the Approve form action on Labor Cost Transfer Template Entry (GM12.2) to approve all template lines immediately.

STOP Labor cost transfer template lines must have a released status to be eligible for approval. You can release template lines on Labor Cost Transfer Template Entry (GM12.2), or using Labor Distribution Mass Status Change (GM115).

STEPS To approve labor cost transfer templates on GM12.2

Once all template lines are created and released, you can use the Approve form action on Labor Cost Transfer Template Entry (GM12.2) to immediately approve the lines.

Approving Multiple Labor Cost Transfer Templates at Once

Use Labor Distribution Mass Status Change (GM115) to change the status of cost transfer template lines in a batch process instead of changing distributions line-by-line on the Labor Cost Transfer Template Approval (GM13.1) or Labor Cost Transfer Approval (GM13.2).

STEPS To change template line status in a batch process

- 1. Access Labor Distribution Mass Status Change (GM115), Main page.
- 2. Type a job name and an optional description for the mass status change.
- 3. Identify the employees, dates, and status of the labor cost transfer template lines you want to approve. Consider the following fields.

Company	Choose the Human Resources company for the cost transfer templates.
Process Level / Processing Group	Optional. Choose or type a process level to identify employees in the labor cost transfer templates.
	- OF -
	Choose or type a processing group to identify employees in the labor cost transfer templates.
Employee Group / Employee Range	Optional Choose or type an employee group to identify employees in the labor cost transfer templates.
	- OF -
	Choose or type a range of employee numbers to identify employees in the labor cost transfer templates.

TIP If you do not want the Approve form action available to all users, you can hide the Approve button with Design Studio, or secure it to appropriate users.

Effective Date	Choose or type a date range to select labor distribution templates. If the start date for a labor cost transfer template falls on or within the date range, the template is selected.
Record Type	Choose Labor Cost Transfers only (2) to select labor cost transfer templates.
	Choose Labor Distribution and Cost Transfer records (3) to select labor cost transfer templates and labor distribution templates.
Existing Status	Choose or type the current status of labor cost transfer template lines to select. You must choose at least one status, and can choose up to three.
	Unreleased (U)
	Released (R)
	Approved (A)
	Hold (H)
New Status	Choose or type the new status for the template lines. The new status cannot be the same as any current status you specified.
	Unreleased (U)
	Released (R)
	Approved (A)
	Hold (H)
	NOTE If the Lawson ProcessFlow service Labor Cost Transfer Approval (LabTransferAppr) is enabled, you are limited to changing labor cost transfer template line status from unreleased to released. To preserve data integrity, all other status changes must occur through ProcessFlow.

Update Choose No to run GM115 and review the report without updating status changes.

Choose Yes to run GM115 in update mode.

- 4. Optional. Access the Activity page. You can choose activity information to further select the records you want to approve. Choose an activity group list, activity group, individual activities (up to six), or an activity list.
- 5. Optional. Access the GL Accounts page. You can choose general ledger account information to further select the records you want to approve. Choose a General Ledger company, a GL company and accounting units, or an accounting unit list. In addition, you can choose a range of accounts or an account list.
- 6. Add and submit the job to make the status changes in the selected records.

Approving Labor Cost Transfer Templates

Once you create and release labor cost transfer template lines, they must be approved before the template is eligible for Labor Cost Transfer Processing (GM170) or Non-Lawson Payroll Cost Transfer (GM171).

If someone other than the template creator needs to approve templates and Lawson ProcessFlow is not implemented, use Labor Cost Transfer Template Approval (GM13.1) to approve all lines in the template.

STOP Labor cost transfer template lines must have a released status to be eligible for approval. You can release template lines on Labor Cost Transfer Template Entry (GM12.2), or using Labor Distribution Mass Status Change (GM115).

STEPS To approve labor cost transfer templates using GM13.1

- 1. Access Labor Cost Transfer Template Approval (GM13.1).
- 2. Review the labor cost transfer template you want to approve. Consider the following fields.

HR Company	Choose the Human Resources company for the employee in the cost transfer template you want.
Employee	Choose the employee in the cost transfer template you want.
Job Code / Position	Optional. Choose the job code or position in the cost transfer template you want.
Pay Code	Optional. Choose the pay code in the cost transfer template you want.
Start Date	Choose or type the start date in the cost transfer template you want.

End Date	Choose or type the end date in the cost transfer template you want.
Processing Status	Identifies the posting status for the template. Status is Not Updated if template has not been processed through GM170 in update mode. Status is Updated when template has been selected and processed through GM170 in update mode.
Status	Choose the existing status of the template lines you want to see.
	All (X) (Default)
	Approved (A)
	Released (R)
	Unreleased (U)
	Hold (H)
Sequence	Optional. Choose the sequence in the template you want. Sequence is required in templates that cover the same dates for the same employee.
Reason Cd	The reason code associated with the cost transfer template appears in this field.
FC	Type or chose the new status for each template line.
	If the existing line status is Released, you can change the line status to Approved, Unreleased, or Hold.
	If the existing line status is Unreleased, you can change the line status to Hold.
	If the existing line status is Approved, you can change the line status to Hold or Unreleased.
	TIP You can change or delete lines with and Unreleased status on Labor Cost Transfer Template Entry (GM12.2). You can change a line status from Unreleased to Released on GM12.2 or on Labor Distribution Mass Status Change (GM115).
Ln (Line)	Type the line number of the template line you want.
Activity	The posting activity and the detail account category to which labor cost transfers will be posted.

Co (Company)	The GL company to which labor cost transfers will be posted.
Account	The accounting unit, account and subaccount to which labor cost transfers will be posted.
Status	The approval status for the template distribution line.
	Valid values include: U (Unreleased), R (Released), A (Approved), and H (Hold).
Approval	Optional. Type an approval value.
	If you use Lawson ProcessFlow, you can use the Approval field to manage multi-step approvals. For example, if two people must approve a cost transfer template line, the first person populates the Approval field but does not change the status. The value in the Approval field is used to route the template line to the next approver.
Percentage Totals	The total salary percentage and the total planned effort percentage. Must equal 100% for record to be eligible for processing.

3. Click the Change form action to update the new status on the template lines.

Approving Labor Cost Transfer Template Lines with Lawson ProcessFlow

TIP ProcessFlow uses the Labor Cost Transfer Approval (LabTransferAppr) service for approving labor cost transfer templates. A ProcessFlow flow file template for labor cost transfer approval is available in the ProcessFlow Solutions for Financials, which is available on the Product Download site on support.lawson.com. For more information, see "Setting Up Lawson ProcessFlow for Labor Cost Transfer Approvals" on page 290. Once you create and release labor cost transfer template lines, they must be approved before the template is eligible for Labor Cost Transfer Processing (GM170) or Non-Lawson Payroll Cost Transfer (GM171).

If someone other than the template creator needs to approve templates and Lawson ProcessFlow is implemented, the Labor Cost Transfer Approval service will have been triggered. Labor Cost Transfer Approval (GM13.2) can be embedded in the .flo to present each template line to the appropriate user(s) for approval.

STOP Labor cost transfer template lines must have a released status to be eligible for approval. You can release template lines on Labor Cost Transfer Template Entry (GM12.2), or using Labor Distribution Mass Status Change (GM115).

STEPS To approve labor cost transfer template lines on GM13.2

- 1. Access Labor Cost Transfer Approval (GM13.2).
- 2. Review the labor cost transfer template line. Consider the following fields.

HR Company	Choose the Human Resources company for the employee in the cost transfer template you want.
Employee	Choose the employee in the cost transfer template you want.
Job Code / Position	Optional. Choose the job code or position in the cost transfer template you want.
Pay Code	Optional. Choose the pay code in the cost transfer template you want.
Start Date	Choose or type the start date in the cost transfer template you want.
End Date	Choose or type the end date in the cost transfer template you want.
Sequence	Optional. Choose the sequence in the template you want. Sequence is required in templates that cover the same dates for the same employee.
Processing Status	Identifies posting status for the template. Status is Not Updated if template has not been processed through GM170 in update mode. Status is Updated when template has been selected and processed through GM170 in update mode.

TIP All these fields can be defaulted when this form is embedded within a .flo.
Reason Code	This field displays the cost transfer reason code associated with the labor cost transfer.
Line	Type the line number of the template line you want.
Activity	The posting activity to which labor cost transfers will be posted.
Acct Cat	The detail account category to which labor cost transfers will be posted.
Company	The GL company to which labor cost transfers will be posted.
Account	The accounting unit, account and subaccount to which labor cost transfers will be posted.
Status	The approval status for the template distribution line.
	Valid values include: U (Unreleased), R (Released), A (Approved), and H (Hold).
Approval	Optional. Type an approval value.
	If you use Lawson ProcessFlow, you can use the Approval field to manage multi-step approvals. For example, if two people must approve a cost transfer template line, the first person populates the Approval field but does not change the status. The value in the Approval field is used to route the template line to the next approver.
	NOTE To update the Approval value in the template line without changing the template line status, click the Change form action.
Salary Percentage	The percentage of gross earnings to be transferred to the activity and GL account specified.
Effort Percentage	The percentage of planned effort to be transferred to the activity and GL account specified.
Change the template I	ine status.
To approve the ter line's existing state	nplate line, click the Approve form action. (The us must be Released.)
• To put the line on	hold, click the Hold form action.

• To unrelease the line, click the Unrelease form action.

TIP You can change or delete lines with an Unreleased status on Labor Cost Transfer Template Entry (GM12.2). You can change a line status from Unreleased to Released on GM12.2 or on Labor Distribution Mass Status Change (GM115).

Setting Up Lawson ProcessFlow for Labor Cost Transfer Approvals

You can use Lawson ProcessFlow to approve labor cost transfer lines. The ProcessFlow service for labor cost transfer approval is triggered when a labor cost transfer is released on Labor Cost Transfer Template Entry (GM12.2) or during Labor Distribution Mass Status Change (GM115).

IMPORTANT For approvals using ProcessFlow to work, you must:

- Enable the Labor Cost Transfer Approval (LabTransferAppr) service in ProcessFlow.
- Define the LabTransferAppr criteria of HR company and PI in ProcessFlow.
- Create a flow file. You can write your own or edit the labtransferappr.flo ProcessFlow Solutions template (available from the download page at support.lawson.com). Labor Cost Transfer Approval (GM13.2) is the recommended form for approving templates using Lawson ProcessFlow.
- Upload the flow file to your server.

For information on how to design services and flows and use ProcessFlow, see the *ProcessFlow Administration Guide*.

For descriptions of available services and the ProcessFlow Solutions templates, see the *ProcessFlow Reference Guide*.

Processing Labor Cost Transfers

This chapter explains how to process labor cost transfers in Lawson Grant Management. Labor cost transfers use templates to redistribute labor costs after-the-fact. This chapter includes the cost transfer process for employees paid using Lawson Payroll and employees paid using a non-Lawson payroll system, including affiliate employees.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 303. The following concepts provide background and conceptual information for the procedures within this chapter.

- "What Happens During Labor Cost Transfer Processing?" on page 292
- "How Do Labor Cost Transfers Work with No Pro-Rating?" on page 295
- "How Do Cost Transfers Work with Pro-Rating?" on page 299

What Happens During Labor Cost Transfer Processing?

Labor cost transfer processing uses labor cost transfer templates to redistribute labor costs after-the-fact. You set up labor cost transfer templates on Labor Cost Transfer Template Entry (GM12.2). For more information, see "Defining Labor Cost Transfer Templates" on page 274.

IMPORTANT To process cost transfers for employees paid using Lawson Payroll, use Labor Cost Transfer Processing (GM170). For employees paid using a non-Lawson payroll, or for employees of affiliate organizations, use Non-Lawson Payroll Labor Cost Transfer (GM171).

Labor cost transfer processing determines eligible templates and finds corresponding labor distribution transactions for the dates covered by each template. When the eligible transactions are found, they are reversed. Adjusting (new) transactions are created with the new activity and general ledger account distributions defined in the template. Links to the initiating cost transfer template are maintained in the original, reversing, and adjusting transactions for audit. If the employee was subject to effort reporting when the original transactions were created, labor cost transfer processing updates the effort data repository with the reversing and adjusting entries so that the changes are incorporated into the next effort report generated for the employee. Any employer-paid expenses that were eligible for labor distribution are eligible for cost transfer.

How are Templates Selected for Labor Cost Transfer Processing?

When you begin labor cost transfer processing, you specify employees and a range of dates to process. A template is eligible for processing when it meets all the following criteria:

- The template contains an employee specified on the labor cost transfer processing form.
- The template's processing status is Not Updated.
- All template distribution lines have an Approved status.
- All or part of the period covered by the template start and end dates falls on or within the start and end dates specified on the labor cost transfer processing form. For example, if the dates selected for processing are May 20 to May 31, a template dated May 16 to May 25 would be selected. So would a template dated May 22 to June 5.

How are Transactions Selected for Labor Cost Transfer Processing?

When an eligible template has been selected, existing wage expense transactions that fall on or within the template period are processed. Transactions are evaluated, processed, and balanced by check ID.

When you process one time record for every day in a pay period, you do not need to use pro-rating during labor cost transfer processing. If pro-rating is not used, the existing transaction is eligible when its transaction date falls on or within the template's date range. For example, the pay period starts May 16 and ends May 31, and the template is dated May 20 to May 26. Any existing distribution transactions dated May 20 through May 26 are selected. The existing distributions for other dates within the pay period are retained. For more information, see "How Do Labor Cost Transfers Work with No Pro-Rating?" on page 295.

When you process one time record per pay period, you can use pro-rating during labor cost transfer processing. Pro-rating helps you get a more accurate distribution when a grant started or ended in the middle of a pay period. When pro-rating is used, the existing distribution transaction(s) for the pay period are pro-rated to the template dates and the new distributions are applied to the period covered by the template. For example, the pay period starts May 16 and ends May 31. One template is dated May 20 to May 26, and another template begins May 27 and ends May 31. The earnings are pro-rated by day from May 16 to May 19, May 20 to May 26, and May 27 to May 31. The original distributions are maintained for the pro-rated earnings for May 16 to May 19. The new distributions in the first template are applied to the pro-rated earnings for May 20 to May 26, and the new distributions in the second template are applied to the pro-rated earnings for May 27 to May 31. For more information, see "How Do Cost Transfers Work with Pro-Rating?" on page 299.

When eligible transactions are found, reversing entries are queued up for the selected records, then new adjusting entries are created with the activity and general ledger account from each cost transfer template line. Reversing and adjusting transactions retain the transaction date of the original distribution

NOTE Earnings are pro-rated according to number of days in the pay period.

records, but use the posting date you specify on labor cost transfer processing form.

Are Employer-Paid Expenses Eligible for Cost Transfer?

Employer-paid expenses that were eligible for labor distribution are eligible for cost transfer. If you use Lawson Payroll, this means that company-paid deductions that "followed pay" are eligible. Company-paid deductions that did not "follow pay" are not subject to labor cost transfers since they were posted to the general ledger account and activity (if any) specified in the deduction code, and have no dependency on where pay was posted. If you do not use Lawson Payroll, employer-paid expenses are eligible if they were imported in detail by employee and check ID.

What Does Labor Cost Transfer Processing Update?

Labor Cost Transfer Processing creates reversing and new entries in the distribution history file. If you use Lawson Payroll, this is the Payroll Distribution History file. If you do not use Lawson Payroll, this is the Grant Management Distribution file. The initiating cost transfer template is identified in each original, reversing, and new distribution transaction to enable auditing and Drill Around. Also, new check IDs are assigned to reversing and new distribution transactions. This ensures that the reversing and new distributions are in balance.

If an employee was eligible for effort reporting when the original distribution was created, labor cost transfer processing updates the effort transaction file. The effort transaction file is used for effort reporting, so any changes in distributions as a result of cost transfers are captured when an effort report is run for the dates effected. Reversing and new entries are created for effort transactions using the same rules as for the Payroll Distribution History and Grant Management Distribution files.

When labor cost transfer processing has been completed successfully, the processing status of each eligible template is set to Updated. To maintain the integrity of the audit trail, changes are not permitted in templates with an Updated processing status.

If you use Lawson Payroll, run General Ledger Posting (PR198) after completing Labor Cost Transfer Processing (GM170) to create transactions in the Project Accounting (AC) and General Ledger (GL) transaction files.

If you do not use Lawson Payroll, Non-Lawson Labor Cost Transfer (GM171) creates these transactions for you.

To update AC and GL transactions created during labor cost transfer processing, run Activity Posting (AC190) and General Ledger Posting (GL190).

You can use Activity Transaction Inquiry (AC96) and Transaction Inquiry (GL90) to inquire on labor cost transfer transactions. From either form, you can use Drill Around to see the initiating template for a cost transfer transaction.

NOTE Check ID is an internal identifier for records in the distribution history files, and is not the same as the check number or reference used for payment to the employee.

How Do Labor Cost Transfers Work with No Pro-Rating?

This example shows how labor cost transfers work when the pro-rate option in labor cost transfer processing parameters is set to No. Generally, you do not need to pro-rate labor cost transfers if you process a time record for each day worked in the pay period. If you do not use Lawson Payroll to pay your employees, or for affiliate employees, this means importing one wage record for each day in the period (rather than one record for the entire period).

In this example, Amy Green was paid weekly for the period of July 31 to August 6, 2005. Her labor distribution template splits her labor costs between two grants. However, one of the grants expired on August 4 and the template for the new grant was not yet approved when Amy's payroll was processed. The portion of Amy's salary that could not be charged to the new grant was charged to her home department. The grant administrator has since approved the new labor distribution template, but now needs to reallocate Amy's time charged to her department to the new grant.

Two templates applied to Amy's pay records for July 31 to August 6:

Activity	Acct Cat	Со	Account	End Date	Sal %	Status
SleepApnea-Y1	Labor	Metro Hospital	Cardio Research Salaries	08/03/2005	40	Approved
CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	11/12/2005	60	Approved

Labor Distribution Template 1 - Effective Date 11/13/2004

Labor Distribution	Template	2 - Effective	Date	08/04/2005
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Activity	Acct Cat	Со	Account	End Date	Sal %	Status
SleepApnea-Y2	Labor	Metro Hospital	Cardio Research Salaries	08/03/2006	40	Released
CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	11/12/2005	60	Approved

The existing wage expense distribution records for Amy look like this:

Time Record (Transaction) Date	Activity	Acct Cat	Co	Account	Amount
08/01/2005	SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	\$160
08/01/2005	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$240
08/02/2005	SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	\$160
08/02/2005	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$240
08/03/2005	SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	\$160
08/03/2005	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$240
08/04/2005			Metro Hospital	Cardiology	\$160
08/04/2005	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$240
08/05/2005			Metro Hospital	Cardiology	\$160
08/05/2005	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$240

The distributions for August 1 - 3 are correct, but the distributions for August 4 - 5 need to be charged to the new award year. To correct this, the grant administrator created this labor cost transfer template:

Labor Cost Transfer Template - Effective Date 08/04/05 to 08/05/05

Activity	Acct Cat	Co	Account	Sal %	Status
SleepApnea-Y2	Labor	Metro Hospital	Cardio Research Salaries	40	Approved
CardiacRegen-Y3	Labor	Metro Hospital	Cardio Research Salaries	60	Approved

The grant administrator processes labor cost transfers without the pro-rate option with the following results on the existing distributions:

Time Record (Transaction) Date	Activity	Acct Cat	Со	Account	Amount
08/01/2005	SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	\$160
08/01/2005	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$240
Result	No eligible cos distributions are	t transfer te e maintaine	emplate for ed	August 1, orig	ginal
08/02/2005	SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	\$160
08/02/2005	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$240
Result	No eligible cos distributions are	t transfer te e maintaine	emplate for ed	August 2, orig	ginal
08/03/2005	SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	\$160
08/03/2005	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$240
Result	No eligible cos distributions are	t transfer te e maintaine	emplate for ed	August 3, orig	ginal
08/04/2005			Metro Hospital	Cardiology	\$160
08/04/2005	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$240
Reversing Distributions			Metro Hospital	Cardiology	(\$160)
	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	(\$240)

New Distributions	SleepApnea- Y2	Labor	Metro Hospital	Cardio Research Salaries	\$64
	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$96
	SleepApnea- Y2	Labor	Metro Hospital	Cardio Research Salaries	\$96
	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$114
08/05/2005			Metro Hospital	Cardiology	\$160
08/05/2005	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$240
Reversing Distributions			Metro Hospital	Cardiology	(\$160)
	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	(\$240)
New Distributions	SleepApnea- Y2	Labor	Metro Hospital	Cardio Research Salaries	\$64
	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$96
	SleepApnea- Y2	Labor	Metro Hospital	Cardio Research Salaries	\$96
	CardiacRegen- Y3	Labor	Metro Hospital	Cardio Research Salaries	\$114

Note that the template is applied to each individual distribution record. The reversing and new records contain the original time record date but are posted using the date specified on the labor cost transfer processing parameters. Transactions are summarized for posting to Project Accounting and General Ledger.

NOTE This example shows wage reversals and redistributions. When you view the Labor Cost Transfer Processing Report, you will see reversing and adjusting transactions for the entire check ID, including net pay and employee deductions. There is no change to those distributions but all transactions associated with the check ID are processed to ensure that the labor cost transfer distribution results are in balance.

How Do Cost Transfers Work with Pro-Rating?

This example shows how labor cost transfers work when the pro-rate option in labor cost transfer processing parameters is set to Yes. You can pro-rate labor cost transfers if you process one time record for the pay period, and want to accurately charge labor to the appropriate grants when a grant started or ended in the middle of the pay period.

In this example, Nathan Johnson was paid semi-monthly for the period of November 1 to November 15. Two labor distribution templates were in effect for the pay period:

Activity	Acct Cat	Со	Account	End Date	Sal %	Status
SleepApnea-Y1	Labor	Metro Hospital	Cardio Research Salaries	08/03/2005	40	Approved
StrokeRecovery- Y3	Labor	Metro Hospital	Neurology Research Salaries	11/12/2005	60	Approved

Labor Distribution Template 1 - Effective Date 08/04/2005

Labor Distribution Template 2 - Effective Date 11/13/2005

Activity	Acct Cat	Со	Account	End Date	Sal %	Status
SleepApnea-Y1	Labor	Metro Hospital	Cardio Research Salaries	08/03/2006	40	Approved
HRTStroke-Y1	Labor	Metro Hospital	Neurology Research Salaries	11/12/2005	60	Approved

Because only one time record dated November 15 was entered for the entire pay period, the labor distribution template effective on November 13 was used. The existing wage expense distribution record for Nathan looks like this:

Time Record (Transaction) Date	Activity	Acct Cat	Со	Account	Amount
11/15/2005	SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	\$1,400
11/15/2005	HRTStroke- Y1	Labor	Metro Hospital	Neurology Research Salaries	\$2,100

The grant administrator wants Nathan's pay distributions to be reflected more accurately for the pay period. To do this, the grant administrator created this labor cost transfer template:

Labor Cost Transfer Template - Effective 11/01/05 to 11/12/05

Activity	Acct Cat	Co	Account	Sal %	Status
SleepApnea-Y1	Labor	Metro Hospital	Cardio Research Salaries	40	Approved
StrokeRecovery- Y3	Labor	Metro Hospital	Neurology Research Salaries	60	Approved

When the grant administrator processes labor cost transfers with the pro-rate option, Nathan's existing distributions are pro-rated according to the number of days in the pay period:

Activity	Acct Cat	Co	Account	Amount	Pro- rated Nov 1 to Nov 12 (12 days)	Pro- rated Nov 13 to Nov 15 (3 days)
SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	\$1,400	\$1,120	\$280
HRTStroke- Y1	Labor	Metro Hospital	Neurology Research Salaries	\$2,100	\$1,680	\$420

The following reversing distributions are created:

Time Record (Transaction) Date	Activity	Acct Cat	Со	Account	Amount
11/15/2005	SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	(\$1,400)
11/15/2005	HRTStroke- Y1	Labor	Metro Hospital	Neurology Research Salaries	(\$2,100)

The following new distributions are created:

Time Record (Transaction) Date	Activity	Acct Cat	Co	Account	Amount
For \$1,120 pro	o-rated amount				
11/12/2005	SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	\$448
11/12/2005	StrokeRecover Y3	yŁabor	Metro Hospital	Neurology Research Salaries	\$672
For \$1,680 pro	o-rated amount				
11/12/2005	SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	\$672
11/12/2005	StrokeRecover Y3	yŁabor	Metro Hospital	Neurology Research Salaries	\$1,008
For \$280 pro-r	rated amount				
11/15/2005	SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	\$112
11/15/2005	HRTStroke- Y1	Labor	Metro Hospital	Neurology Research Salaries	\$168
For \$420 pro-rated amount					
11/15/2005	SleepApnea- Y1	Labor	Metro Hospital	Cardio Research Salaries	\$168
11/15/2005	HRTStroke- Y1	Labor	Metro Hospital	Neurology Research Salaries	\$252

Note that the original percentages and grant distributions for the pro-rated earnings for November 13 - 15 are preserved. The reversing records contain the original time record date but are posted using the date specified on the labor cost transfer processing parameters. The new distributions include a time record date that reflects the pro-rated period. Transactions are summarized for posting to Project Accounting and General Ledger.

NOTE This example shows wage reversals and redistributions. When you view the Labor Cost Transfer Processing Report, you will see reversing and adjusting transactions for the entire check ID, including net pay and employee deductions. There is no change to those distributions but all transactions associated with the check ID are processed to ensure that the labor cost transfer results are in balance.

Procedures in this Chapter

Use the following procedure to process labor cost transfers for Lawson Payroll.

"Processing Labor Cost Transfer Distributions" on page 303

Processing Labor Cost Transfer Distributions

Labor cost transfer processing uses labor cost transfer templates to redistribute labor costs after-the-fact.

STOP Before you process labor cost transfers, you must define and approve labor cost transfer templates. For more information, see "Setting Up Labor Cost Transfers" on page 269.

To process cost transfers for employees paid using Lawson Payroll, use Labor Cost Transfer Processing (GM170).

To process cost transfers for employees paid using a non-Lawson payroll, including employees of affiliate organizations, use Non-Lawson Payroll Labor Cost Transfer (GM171).

Labor cost transfer processing determines eligible templates and finds corresponding labor distribution transactions for the dates covered by each template. When the eligible transactions are found, they are reversed. Adjusting (new) transactions are created with the new activity and general ledger account distributions defined in the template. Links to the initiating cost transfer template are maintained in the original, reversing, and adjusting transactions for audit. If the employee was subject to effort reporting when the original transactions were created, labor cost transfer processing updates the effort data repository with the reversing and adjusting entries so that the changes are incorporated into the next effort report generated for the employee. Any employer-paid expenses that were eligible for labor distribution are eligible for cost transfer.

STEPS To process labor cost transfers

- 1. Conditional. To process labor cost transfers for employees paid using Lawson Payroll, access Labor Cost Transfer Processing (GM170).
- 2. Conditional. To process labor cost transfers for employees paid using a non-Lawson payroll system, including employees of affiliate organizations, access Non-Lawson Labor Cost Transfers (GM171).
- 3. Type a job name and an optional description for the labor cost transfer processing job.
- 4. Identify the employees, dates, and options for processing labor cost transfers. Consider the following fields.

Company	Choose the Human Resources company for the employees for whom you want to process cost transfers.
Process Level or Processing Group	Optional. Leave the process level and processing group fields blank to select labor cost transfer templates for any employee in the HR company.
	- or -
	Choose a process level. Templates for employees assigned to the process level you specify are selected.
	- or -
	Choose a processing group. Processing groups are sets of process levels. Templates for any employee associated with a process level in the processing group you specify are selected.
Employee Group or Employee Range	Optional. Leave the employee group and employee fields blank to select labor cost transfer templates for any employee in the HR company and process levels or processing group specified.
	- or -
	Choose an employee group. Templates for employees assigned to the employee group you specify are selected.
	- or -
	Choose a range of employee numbers. Templates for any employee number that falls on or within the range you specify are selected.

Date Range	Type or choose a range of dates for cost transfer template selection.	
	If the beginning date, end date, or any date within the range falls on or within the start and end dates for an eligible template, the template is selected.	
	Example: The cost transfer template's start date is October 1 and its end date is October 13. The template is selected when any of the following date ranges are specified:	
	October 1 – October 1	
	September 30 – October 5	
	October 6 – October 10	
	October 2 – October 13	
	October 12 – October 31	
	October 13 – October 19	
	The template would not be selected for any of these date ranges:	
	September 24 – September 30	
	October 18 – October 31	
Pro-rate Distributions	Choose Yes or No to determine whether to pro-rate earnings when a template doesn't cover the entire pay period for an employee.	
	If you choose Yes, earnings within the pay period are pro-rated by day according to the dates in the template(s) that apply to the pay period. The template's distributions are applied to the pro-rated earnings for the template period. The original distributions are preserved for the portion of earnings not covered by the template.	
	If you choose No, the labor cost transfer template is applied to eligible transactions based on transaction date.	

Update	Choose No to run labor cost transfer processing in report only mode. This lets you verify adjustments before updating. You can fix errors by changing labor cost transfer templates or changing labor cost transfer processing parameters.	
	Choose Yes to run labor cost transfer processing in update mode. Reversing and new distribution transactions are created, original transactions are linked to the initiating cost transfer template, effort transactions are created (if applicable), and the template's processing status is changed to Updated.	
Post Date	Type or choose the posting date for adjusting and reversing transactions. The posting date is populated in Project Accounting (AC) and General Ledger (GL) transactions.	
	NOTE If the period of redistribution covers multiple general ledger periods and you want to post redistributions to the general ledger period in which the labor costs were originally charged, define multiple templates with dates that align with the general ledger period. For example, if you want to redistribute an employee's labor costs for March and April, define one labor cost transfer template for March and a separate template for April.	

Exempt Pay Class (GM170 only) You can select a pay class to exclude from the processing all the pay codes associated with the pay class.

Pay classes are defined on Pay Class (PR20.1). They consist of a list of pay summary groups. Pay summary groups are defined on Pay Summary Groups (PR20.2), and associated with a pay class on Pay Summary Group Relationships (PR20.3). Pay summary groups are also associated with pay codes on Pay Codes (PR20.4).

Therefore, when you exclude a pay class, you exclude all the pay codes that are associated with the pay summary groups that comprise the pay class.

- 5. Add and submit the job with the Update option set to No. Review the Labor Cost Transfer Processing report to make sure the results are correct. If the results are not correct, you can add or modify eligible templates or change job parameters.
 - 6. When the labor cost transfer processing results are correct, submit the job with the Update option set to Yes.
- Conditional. If you use Labor Cost Transfer Processing (GM170), use General Ledger Posting (PR198) to update transactions to Project Accounting (AC) and General Ledger (GL).
- To post transactions in Project Accounting (AC), run Activity Posting (AC190). To post transactions in General Ledger (GL), run General Ledger Posting (GL190).

Related Reports and Inquiries

То	Use
Print a list of labor cost transfer templates by employee	Labor Cost Transfer Template Listing (GM212)
See labor cost transfer transactions that have been updated to activities and drill to initiating templates	Activity Transaction Inquiry (AC96)
See labor cost transfer transactions that have been updated to General Ledger and drill to initiating templates	Transaction Analysis (GL90)

TIP If you use activity burdens to calculate fringe, reversing fringe costs will be calculated on reversing labor cost transfer transactions and new fringe costs will be calculated on the adjusting labor cost transfer transactions. To use the burden rates that were in effect when the original labor distribution was incurred, make sure the Burden Date field on Activity Group (AC00) is set to Transaction Date.

Chapter 16

Setting Up and Processing Procurement

This chapter explains how to set up and process requisitions and set up and process purchase orders for subcontractor services in Grant Management.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 315. The following concepts provide background and conceptual information for the procedures within this chapter.

- "How Does Grant Management Work with Lawson Procurement?" on page 310
- "What are Requisition Approval Types?" on page 311
- "What Accounts Payable Setup Should I Consider for Grant Management?" on page 313

How Does Grant Management Work with Lawson Procurement?

To support research activity, researchers and research staff order supplies and services from a variety of vendors. Grant Management uses the Lawson Procurement applications for ordering and paying for supplies and equipment used to complete grant projects.

Lawson Procurement Cycle

The procurement process in Lawson can include a wide variety of procedures. The illustration below identifies some key minimum steps that are performed to process orders for supplies and services.





What are Requisition Approval Types?

Requisition lines can be approved separately from the requisition header. You can approve, reject, or unrelease a requisition line. Requisition approval

types determine the approval process for the requisition itself. You select approval types at three levels:

- Requester, from Requesters (RQ04.1)
- Requesting location, from Requesting Locations (RQ01.1)
- Inventory Control company, from Company (IC01.1)

The application looks for the approval type in this order. If an approval type is not found for the requester, it looks at the requesting location. If it is not found at the requesting location, the application looks for it at the Inventory Control company level.

The available requisition approval types are as follows.

Header using approval codes	Approve the requisition header using the approval code from the requester.
	When you add a requisition, if the approval type is "Header using approval codes", the application copies the approval type from the requester to the requisition header.
Header using ProcessFlow	Approve the requisition header using ProcessFlow, if you have the Requisition Approval service enabled (does not use approval codes).
Line approval using direct approval	Approve the requisition line directly by using Direct Line Approval (RQ13.2)
Line approval using ProcessFlow	Approve the requisition line using ProcessFlow. You can only use this selection if you have all three ProcessFlow services enabled:
	Requisition Create Line Approval
	Requisition Line Approval
	 Requisition Line Approval for Grant Management
No approvals required	No approvals are required. You do not need to set up approval codes if you make this selection.

The status of a requisition line displays on Requisition (RQ10.1), on the Lines tab. The statuses for a requisition line are:

- Unreleased (the line has not been released)
- Needs Approval (the line is released but approvals have not been received)
- Rejected (the line needed approval but was denied)
- Processed (the line has been approved, if required, but has not been totally fulfilled)
- Closed (the line has been totally fulfilled)

Grant Management User Guide

What Accounts Payable Setup Should I Consider for Grant Management?

Before you can process requisitions and purchase orders, create and match invoices, or process payments, there is some minimal required setup in the Lawson Accounts Payable application.

IMPORTANT Lawson recommends you use the *Accounts Payable User Guide* to assist you with the setup of Accounts Payable.

In order to use Lawson Accounts Payable for Grant Management, be sure to complete the following setup.

- Use Vendor Group (AP00.1) to define vendor groups.
- Use Vendor Class (AP00.3) to define vendor class.
- Use Process Level (AP00.5) to define process levels.
- Use Vendor (AP10.1) to define vendors.

As you create vendors for Grant Management in Accounts Payable, there is additional setup to consider:

Subcontractors

Your institution may use subcontractors to complete portions of a grant-funded activity. For each award that uses subcontractors, the subcontractor must be defined as a vendor in Accounts Payable and on Award Subcontractors (GM03.2). As the grant-funded research is completed, you can use subcontractor purchase orders to pay the subcontractor. This lets you track the amount spent by the grant on subcontractor activities.

Vendor Diversity

Purchasing Agents may need to identify vendors who are qualified as small businesses or certified by some other business diversity program and report procurement statistics about those vendors. This can be a required step in application for some grants.

To track and report vendor diversity information, you can define diversity codes on Diversity Codes (AP13.2). Once defined, you can select a diversity code on any of the following Accounts Payable forms:

- On Vendor (AP10.1), you can assign a diversity code as a default code for a vendor.
- On Vendor Location (AP10.2), you can assign a diversity code as a default code for a vendor location.
- On Vendor, Company Codes (AP10.5), you can assign a diversity code as a default code for a vendor company.
- On Location, Company Codes (AP10.6), you can assign a diversity code as a default code for a vendor location company.
- On Basic Invoice (AP20.1), you can assign a diversity code for a particular invoice or override a default value from the vendor.

You can run Vendor Activity (AP211) to report on vendor purchases based on an a grant activity. Each vendor involved on an activity will have its purchasing dollars summed. Optionally, you can break out dollars by diversity code.

You can run Vendor Audit (AP135) to report a history of all changes to a vendor, including a vendor-company's history of diversity codes assigned by choosing Yes in the Audit Vendor Changes field.

Vendor Contacts

In the practice of grant management, you may need to access multiple contacts in subcontracting functions such as purchasing, billing, administrative, technical, and others. Vendor Contacts enables grant-funded organizations to define subcontractor vendors with multiple contacts.

You define contact codes on Contact Code (AP13.1). You assign contact codes to vendors on Vendor Contact (AP14.1). Use AP14.1 to set up and maintain additional contacts for a vendor or vendor locations. Use Vendor Contact Address (AP14.2) to enter and maintain address information for the vendor contact you define on AP14.1.

The vendor contacts you enter on these forms are in addition to the contact name defined on Vendor (AP10.1) and Vendor Location (AP10.2), Contact page.

Vendor contacts are available to Requisitions and Purchase Order. For example, you can choose to print vendor contact information on a purchase order. In the vendor listing report, you have the option to include vendor contact information.

Vendor Certification

Certifications are assigned to vendors to indicate that they are in compliance with a specific certifying agency related to their industry. While defining a vendor, you can use Certification Code Assignment (AP14.3) to attach valid certification codes to a vendor.

You can use Subcontractor Monitoring Rpt (PO240) to monitor certification letters or audit reports for subcontractor vendors. This report lets you evaluate all the subcontractor purchase orders and exclude vendors that have had no transactions since they were last certified, or recent transactions that have not been audited.

Pay Immediately

In grant administration, you may want to pay an invoice immediately, or prior to its due date.

You can select a default status of pay immediately on Vendor (AP10.1) or Vendor Location (AP10.2). When you choose pay immediately, a status of pay immediately defaults to all invoices created for the vendor or vendor location. You can also choose to process only invoices with the status of pay immediately on Cash Requirements (AP150).

Procedures in this Chapter

Use the following procedures to create a process requisitions and purchase orders for subcontractor services.

- "Creating Requisitions for Equipment and Supplies" on page 315
- "Approving Requisitions Manually" on page 318
- "Creating Purchase Orders from Order Requests" on page 319
- "Creating Subcontractor Purchase Orders" on page 321
- "Approving Subcontractor Purchase Orders" on page 324

Creating Requisitions for Equipment and Supplies

This procedure outlines the process for creating a requisition for equipment or supplies by directly entering information on a requisition.

IMPORTANT There are several ways to use the Requisitions application to create requisitions. Lawson recommends you use the *Requisitions User Guide* for complete procedures on the setup and processing of requisitions.

STEPS To create a requisition

- 1. Access Requisition (RQ10.1).
- 2. Select a requester ID in the Requester field.
- 3. If you are using the automatic numbering feature, you can leave the Requisition Number field blank. If you are not using the automatic numbering feature, enter a requisition number.
- 4. Define your requisition header information.
- 5. If you want to define default information for all your requisition lines, use the Miscellaneous page. Consider the following fields.

Accounting Unit	You can choose the applicable accounting unit if you want to default the accounting unit onto every newly added line.
Account	You can choose the applicable account and subaccount if you want to default this value onto every newly added line. These fields make up the expense account for the requisition charges.
Activity	You can choose an applicable activity if you want to default this value onto every newly added line.
	When you add or change a requisition line for an activity, the Requisition system logic checks the activity budget. The system creates a budget commitment record when you release the requisition.

NOTE You can choose accounting unit and activity information for each individual line item by using the fields on the Line Detail tab. (See step 8.)

Category	You can choose an applicable account category if you want to default this value onto every newly added line.
Vendor	Select a value indicating the suggested vendor code for the requisition. The suggested vendor prints on the requisition when you run Print Requisitions (RQ111). The vendor can be changed when a purchase order is created. The vendor must be previously defined in Vendor (AP10.1).
	For information on vendor defaulting, visit the Knowledge Base.
Optional. If you y page. A drop sh requester's locat location, not to th	want to enter drop ship information, use the Drop Ship ip location is a non-standard location, such as the ion. The vendor ships items directly to the drop ship ne company's receiving location.

- 7. Enter requisition line items using the Lines page.
 - a. Select the Add line action.
 - b. Select the item number.

NOTE Adding requisition lines can invoke a budget edit, but you are allowed to add the lines. 6.

TIP To view valid units of measure for the item, place the cursor in the Item field, choose the Drill Around button, and select Valid Units of Measure.

- c. Enter the quantity and select the unit of measure.
- 8. To enter line detail for an individual line, use the appropriate form tab.

То	Use
Set the account and activity information for a line	Line Detail tab.
Set the Create PO flag to Yes to indicate demand on a vendor	Line Detail tab.
Specify a vendor and purchase from location for that vendor	Purchasing tab.
Select a major and minor purchasing class	Classes tab.
Enter Deliver To information	Miscellaneous tab.
Select Fill or Kill processing	Miscellaneous tab.
If you want to override the value selected for the requesting location, you can do so for an individual line.	
Select a comment code for a previously defined comment	Miscellaneous tab.

- 9. Add the requisition by choosing the Add button.
- Optional. If you want to distribute costs to multiple accounts, activities, or account categories, you can add multiple account, activities, or account category distributions to any non-stock, special, or service item but only to IS transactions for inventory items.
- 11. Optional. If you want to add additional information, you can add comments to the header or to an individual line.

	То	Select	
	Add manually entered comments that apply to the entire requisition	Add Comments button on the Header page.	
	Add manually entered comments that apply to an individual line item	Add Comments button on the Line Detail form tab of the Lines page.	
12.	Release the requisition by choosing	the Release button.	

Related Reports and Inquiries

То	Use	
Print a group of requisitions or an individual requisition	Print Requisitions (RQ111)	

Approving Requisitions Manually

NOTE Activity

commitments are created at the time of

release. Releasing the requisition can invoke a budget exceeded message if the requisition amount exceeds the budget.

The manual approval process allows you to approve (authorize), reject, or unrelease a requisition.

Organizations process requisitions that include line items that must be charged to different activity and account category combinations, requiring different members of the organization to approve each line item. The line-level approval option lets organizations approve and process lines of a requisition based on activity and account category. In Grant Management, the Principal Investigator (PI) generally completes the approval.

You need to approve a requisition manually when the requisition total exceeds a monetary limit and ProcessFlow Requisition Approval service is not set up. This procedure outlines the process an authorized approver uses to manually approve requisitions.

STOP Prior to processing any requisitions, the approval option must be set at the requestor, requestor location, or Inventory Control company.

STEPS To approve a requisition (at the whole requisition level)

- 1. Access Approval Review (RQ12.1)
- 2. Select requisitions for review. Consider the following fields.

Authorization ID	Enter the identification for the approver performing the authorization. This is similar to a password for the approver. The authorization ID does not display during entry. Authorization IDs are defined in Approval Codes (RQ02.1).
Approval Code	Use this field to select the approval code that defines a hierarchy of approvals required for a requisition.

When you complete these fields, the form displays the first line of the first requisition needing approval.

- 3. (Optional) To review requisitions details, use the Lawson Drill Around feature.
- 4. (Optional) To adjust the requisition, use Requisitions (RQ10.1).
- 5. Approve, reject or unrelease the requisition using Approval Review (RQ12.1).

Action	Method
Approve	Use the Approve form action to approve the current requisition.
Reject	Use the Reject form action to reject the current requisition.
Unrelease	Use the Unrelease form action to unrelease the current requisition. (This is also called return to requester.)

6. If you reject or unrelease a requisition, notify the requester.

STEPS To approve requisition lines

- 1. Access Direct Line Approval (RQ13.2).
- 2. Select the requisition and requisition line number to approve. Consider the following field.

ProcessFlow Approval Level

If the approval came through ProcessFlow, enter the ProcessFlow approval level for the requisition line.

3. Select the Approve form action. You can also change, reject, or unrelease the requisition line.

Creating Purchase Orders from Order Requests

An order request is a file that contains a request for items or services. Order requests can originate from Requisitions, Inventory Control, and Order Entry applications. When the Purchase Order application receives order requests from other applications it stores the requests in an interface file. You initiate the creation of purchase orders with one of two programs in the Purchase

Order application: Purchase Order Interface (PO100) and Purchase Order Worksheet (PO23).

IMPORTANT Lawson recommends you use the *Purchase Order User Guide* to assist you with setup and processing in Purchase Order.

STEPS To create purchase orders with Purchase Order Interface (PO100)

- 1. Access PO Interface (PO100).
- 2. Type a job name in the Job Name field.
- 3. Select a default buyer.
- 4. Type default delivery days.
- 5. Select parameters for the batch job on the Main tab. Consider the following fields.

Use	То
Combine on PO Line	Automatically combine multiple requests for the same items on one line.

- 6. To select filters that sort and generate order requests by specific parameters, select the More Filters tab.
- 7. Submit the batch job.

STEPS To create purchase orders with Purchase Order Worksheet (PO23.1)

- 1. Access Purchase Order Worksheet (PO23.1).
- 2. Select the procurement group or company that has order requests you want to manage.
- Optional. To sort order requests, select from the options in the Filter or the Sort By field.
- 4. Choose the Inquire form action.
- Optional. To manage the purchase order header information (Currency, Shipping, Issue, User, Intrastat, or Miscellaneous), choose the Header link.
- 6. Optional. To enter values that default on all or most non-inventory lines of the purchase order, choose the Default link.
- 7. Optional. Edit line information on an order request. To add changes, click the Change form action.
- 8. To add a line, choose Select (S) next to the line and click the Add form action.
- 9. To release the purchase order, click the Release form action.

NOTE Activity commitments are created at the time of release. If the purchase order is created from a requisition, the commitment record changes from RQ to PO.

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NOTE Filter values that you enter are used for selecting a certain grouping of order request items to process.

Creating Subcontractor Purchase Orders

Creating and processing subcontract purchase orders is similar to creating and processing other purchase orders, with the following exceptions:

- Because you are subcontracting for services, not products or materials, you create subcontract purchase orders only on Purchase Order (PO20.1). Requisitions cannot create subcontractor purchase orders.
- Each line on a subcontractor purchase order must contain activities associated with a single PI, because PI is the trigger for approval through ProcessFlow.
- Vendors indicated on a subcontract purchase order are checked to be sure they are valid subcontractors for the grant award(s) on the purchase order.
- After a subcontract purchase order is released, the status displays as "needs approval." Once the records are ready for approval, they can be approved through ProcessFlow, or on Direct Approval (PO24.1).

STOP Before you can process any subcontractor purchase orders, the following setup must be complete:

The subcontractor must be defined as a vendor on Vendor (AP10.1)

The Award field on Activity (AC10.1) must be set to Yes for the *posting* activity.

The award must be defined in Grant Management with the Principal Investigator (PI) defined on Award Personnel (GM03.1), and the subcontractor vendor set up on Award Subcontractors (GM03.2)

STEPS To create subcontractor purchase orders

- 1. Access Purchase Order Entry (PO20.1).
- 2. To define purchase order header information, choose the Header link. Consider the following pages.

Terms	Use to define the terms for the purchase order agreement.
Currency	Use to change the currency or currency valuation of the purchase order.
Comment Code	Use to add a comment code to the purchase order header.
User	Use to create user-defined fields.
Template	Use to add a procurement template and accounting unit to the purchase order header.
Intrastat	Use to add a Nature of Transaction Code (NOTC).

	Grant Management	Choose Yes in the Subcontractor Purchase Order field to create a subcontractor purchase order.
		You must have completed setup in the Grant Management application to be able to create subcontractor purchase orders.
		NOTE Requisitions do not create subcontractor purchase orders.
	Vendor Contacts	Use to add a vendor contact code and level to the purchase order header.
		You set up vendors and vendor contacts in the Accounts Payable application.
3.	To apply specific accord purchase order, choose form appears.	ount and activity information to all lines on the se the Default link on PO20.1. The Line Defaults
4.	. Add items to purchase order lines from PO20.1.	
5.	. To add item detail to a specific item, select the More link on the PO line.	
6.	To add line detail for the line that you are currently on, use the detail tabs on the bottom of PO20.1. Consider the following tabs.	
	Line Detail	Add a special order or service type item to a purchase order. For subcontractor POs, you will choose Service (S) in the Type field.
		NOTE You must enter the item description, type, and account information.
	Activity, Asset	Assign a purchase order line to the activity. For a subcontractor PO, you will choose an award posting activity. (Or you can use the Default link at the top of the page to define defaults for all lines.)
		NOTE Purchase Order system logic will check the activity budget. When the purchase order is released, Purchase Order will create a commitment against the activity.
	Тах	Define tax information for the purchase order line.
	Pricing	Enter the unit cost for the unit of measure that the item is listed in.
	Cancel	View the cancelled quantity of the item.
		. ,

NOTE To apply account information to all lines on a purchase order, choose the Default button option **before** adding any purchase order lines. Lines added previously will not contain the account defaults. User Analysis

Assign a purchase order line to a strategic ledger account.

- 7. Choose the Add form action to save purchase order information.
- 8. Choose the Release form action to release the purchase order.

Follow-up Tasks

Subcontractor purchase orders require approval. They can be approved through ProcessFlow or on Purchase Order Direct Approval (PO24.1).

To create an invoice for a subcontractor purchase order, use Basic Invoice (AP20.1), and be sure to choose Service in the Handling Code field.

NOTE Subcontractor POs that involve service only line items are not received and therefore cannot be matched. However subcontractor POs that involve nonstock items can be matched, unless they are set up as dropship items. For more in formation, see the *Purchase Order User Guide* and *Invoice Matching User Guide*.

Related Reports and Inquiries

То	Run
Classify the sources for all purchase orders created within a given date range	PO Activity by Source Report (PO285)
Monitor subcontractor purchase orders based on status	Subcontractor Monitoring Report (PO240)

NOTE Activity commitments are created at the time of release. Releasing the purchase order can invoke a budget exceeded message if the purchase order amount exceeds the budget.

Approving Subcontractor Purchase Orders

The two ways to approve a subcontractor purchase order are to:

- Complete the ProcessFlow approval process (see the *ProcessFlow Reference Guide*).
- Directly approve using Purchase Order Direct Approval (PO24.1).

A Principal Investigator (PI) can unrelease, approve, or reject the subcontractor purchase order (the current status displays on PO24.1). After a subcontractor purchase order is approved, making changes to things like quantities, activities, or cost cause the subcontractor purchase order to be unreleased. When you release it a second time, you start the approval process again.

STEPS To approve a subcontractor purchase order

- 1. Access Purchase Order Direct Approval (PO24.1).
- 2. Enter the company, vendor, purchase from, and purchase order number.
- 3. Select the Approve form action.

Related Reports and Inquiries

То	Use
Monitor subcontractor purchase orders by status (the report sorts by vendor)	Subcontractor Monitoring Report (PO240)
Processing Accounts Payable

This chapter explains basic Accounts Payable processing for invoices for grants, and how to initiate and approve cost transfers on previously processed invoices.

This chapter focuses on procedures that are specific to Grant Management. For detailed information on standard Accounts Payable processing tasks, see the *Accounts Payable User Guide*.

NOTE Before you can process requisitions and purchase orders, create and match invoices, or process payments, there is some minimal required setup in the Lawson Accounts Payable application. For more information, see "What Accounts Payable Setup Should I Consider for Grant Management?" on page 313.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 330. The following concepts provide background and conceptual information for the procedures within this chapter.

- "How Does Grant Management Work with the Lawson Accounts Payable Cycle?" on page 326
- "Can I Exclude Unpaid Accounts Payable Invoices from Grant Draws?" on page 328
- "What Are Accounts Payable Cost Transfers?" on page 328
- "How Can I Use Asset Management with Grants?" on page 329

How Does Grant Management Work with the Lawson Accounts Payable Cycle?

You use Lawson Accounts Payable to create and process invoices for any grant-related purchases (services, supplies, travel, equipment, lab animals, subcontractors and so on).

Lawson Accounts Payable Cycle

Processing an accounts payable cycle in Lawson can include a wide variety of optional programs.

The following illustration identifies the key minimum steps that must always be performed to create payments and interface transactions to Lawson Financials applications.





* You must run AP175 at least once during the accounting period; however you can run it at any time after invoices are released.

Can I Exclude Unpaid Accounts Payable Invoices from Grant Draws?

Some grant contracts, such as cost-reimbursable federal grants, require that invoices for goods and services be paid before funds can be drawn. To ensure that unpaid AP invoices are not selected for billing in Lawson Billing and Revenue Management, the Exclude Unpaid AP field on Contract Parameters (BR10.1) must be set to Yes for the grant's contract activity. If the Exclude Unpaid AP field is set to No, all Accounts Payable invoices for the contract activity, whether paid or not, are eligible for billing.

NOTE You can exclude unpaid AP invoices from billing only for transaction-based billing methods, such as Cost Plus (commonly used for cost-reimbursable grants) or Time and Materials.

When an Accounts Payable invoice is posted to a grant activity, it creates an activity transaction with an AP Paid status of Hold for Billing. Paid Invoice Activity Update (AP178) checks the Exclude Unpaid AP field for the contract associated with the grant activity. If the value is Yes, AP178 passes invoice payment information from Accounts Payable to Project Accounting. If an invoice is not paid, the transaction (in Project Accounting) remains on hold and the billing selection programs ignore the transaction. When the Accounts Payable invoice has been paid, AP178 sends information to Project Accounting to update the paid status in the activity transaction, and the transaction becomes eligible for billing.

For more information, see "How Does Billing and Revenue Management Handle Unpaid Transactions in Grant Management ?" on page 345.

What Are Accounts Payable Cost Transfers?

Accounts Payable cost transfer is the process of retroactively changing the funding source for all or part of an item or cost. Cost transfers reverse the expense on the original grant activity and reallocate expense to another grant activity or general ledger account. Cost transfers can be approved using Lawson ProcessFlow.

To create cost transfers, you create a distribution adjustment on Distribution Adjustments (AP30.2).

How Can I Use Asset Management with Grants?

You can include asset information for Lawson Asset Management with grant activities.

Below are two ways you can use Asset Management with grants:

TIP You can use asset attributes to identify the funding source for assets created as part of a research effort.

- You can use Accounts Payable to charge asset costs to a grant activity in Project Accounting. For example, your organization purchased medical equipment to use for a grant. In Accounts Payable, you can associate an invoice line with an asset template. When the invoice is released, the system passes the invoice costs to Asset Management to be used for asset creation. For detailed information, see the *Asset Management User Guide*.
- You can use Project Accounting to accumulate costs for grants. When the grant is complete, you can send the associated costs to Asset Management where you can begin using and depreciating the asset. This process is referred to as capitalization in Project Accounting. For example, you might track construction costs for building or refurbishing an animal care center for the animals used in research. Since those costs are not typically gathered from one invoice, you can pass all the costs from an invoice to an activity by entering an activity and an account category in the line items of an invoice. When all costs are gathered and the building is complete, you can use Project Accounting to capitalize (create) that asset. For detailed information about capitalizing activities, see the *Project Accounting User Guide*.

Procedures in this Chapter

Use the following procedures to enter and process Accounts Payable for Grant Management.

- "Updating Paid Invoice Activity Status" on page 330
- "Entering and Processing Cost Transfers in Accounts Payable" on page 333

Updating Paid Invoice Activity Status

STOP Process grant-related invoice payments in the same manner that you would process any other payments in the Accounts Payable application up to closing the payments. For more information on processing Accounts Payable payments and on tasks related to closing an Accounts Payable period or year, see the *Accounts Payable User Guide*.

TIP Cost-reimbursable federal grants typically use the cost-plus billing method to draw funds.

If you have grants that use a transaction-based billing method, and one or more of those grants is set up to indicate that unpaid AP invoices are not eligible for billing, after you close a payment cycle in Accounts Payable by running Payment Closing (AP170), you must update the Project Accounting application with invoice payment status information.

When an Accounts Payable invoice posts to an activity, it creates an activity transaction. If the invoice is not paid, the transaction in Project Accounting is placed on hold for billing. When the Accounts Payable invoice for the activity transaction is paid, AP178 sends information to Project Accounting to update the activity transaction, and it becomes eligible for billing. When you run AP178, the report lists the invoice distribution records whose payment status was changed.

NOTE If you draw funds more than once during an accounting period, we recommend that you run this procedure several times during the accounting period, at a minimum each time that you are preparing to draw funds.

Need More Details? Check out the following concepts:

- "How Does Grant Management Work with the Lawson Accounts Payable Cycle?" on page 326
- "Can I Exclude Unpaid Accounts Payable Invoices from Grant Draws?" on page 328

STEPS To update the paid invoice activity status

NOTE

- You should run Paid Invoice Activity Update (AP178) each time you run Payment Closing (AP170).
- You must run Invoice Distribution Closing (AP175) at least once during the accounting period. However, you can run AP175 at any time after the invoices are released and as often as needed.

You must run AP178 after closing the payment cycle (AP170) to update the payment status of invoice activity transactions created by AP175 *before* the invoices were paid. However, if the invoices are paid before you run AP175, the activity transactions created by AP175 will not be on hold for billing and you will not need to run AP178.

- 1. Access Paid Invoice Activity Update (AP178).
- 2. To update Project Accounting fields, run the program in update mode.

Consider the following fields:

Company	Required. Select the invoice company for which you want to run the program.
Process Group	Optional. To run the program for a specific process group, select a valid process group for the invoice company.
Process level	Optional. To run the program for a specific process level, type or select a valid process level for the invoice company.
Post Through Date	Select either a post through date or a date range. If you select a post through date, released invoice distributions with posting dates on or before the date you type will be included. If you select a post through date, leave the From and To Date range blank.
Date Range	Select either a post through date or a date range. If you select a date range, Released invoice distributions with posting dates within (and including) the beginning and end dates of the range will be included. If you select a date range, leave the Post Through Date field blank.

Update	Select N (No) in this field to run the program just to view a listing of the distributions that would be affected by the program if it was run in update mode.
	Select Y (Yes) in this field to run the program in update mode and update the Project Accounting records with paid invoice information.
Optional. View the list AP178.	ing of updated payment transactions generated by
AP178 creates a repo currency, vendor, and	rt sorted by activity, account category, posting date, invoice. Consider the following report fields:
Req AC Update	Yes in this field is always paired with a Yes in the Paid field. It means that the activity's contract is flagged to exclude unpaid AP invoices on Contract Parameters (BR10.1) and the distribution has been paid.
	No in this field is always paired with a blank value in the Paid field. It means that the activity's flag to exclude unpaid AP invoices on BR10.1 has changed from Yes to No. In this case, the Paid field is blank, because it does not matter whether the distribution line is paid or unpaid.
	NOTE The Exclude Unpaid AP field on BR10.1 indicates whether activity transactions associated with unpaid Accounts Payable invoices will be excluded from billing. To enable tracking of the payment status for these transactions, this field must be set to Yes at the time the invoice is released in Accounts Payable. If your organization uses Financial Report (Short Form) (GM269) to complete the Financial Status Report (Short Form) - SF-269, you must select Yes in this field to enable accurate calculation of cash outlays.
Paid	This field is Yes if the Req AC Update is Yes, and blank if the Req AC Update field is No.

NOTE As long as any portion of an invoice has been paid, all distributions related to that invoice will be considered paid. There is no way to identify partial payment at the distribution level when an invoice is split into multiple payments.

3.

Follow-up Tasks

- To post transactions in Project Accounting, run Activity Posting (AC190).
 - For more information on posting activity transactions, see the *Project* Accounting User Guide.
- To post transactions in General Ledger, run Journal Posting (GL190)

For more information on posting general ledger transactions, see the *General Ledger User Guide*.

Entering and Processing Cost Transfers in Accounts Payable

Accounts Payable cost transfer is the process of retroactively changing the funding source for all or part of an item or cost. You use cost transfers to reverse the expense on the original grant activity and reallocate expense to another grant activity or general ledger account.

Entering and processing cost transfers (distribution adjustments), in Accounts Payable involves several tasks. Use the following illustration and procedure to help you enter and process cost transfer distributions.

IMPORTANT Cost transfers can only apply to open activities. If an activity is inactive and needs corrections, you must change the activity status to active, apply the corrections, and then inactivate the activity after the corrections are applied.

Need More Details? Check out the following concepts:

• "What Are Accounts Payable Cost Transfers?" on page 328

STEPS To enter and process cost transfers in Accounts Payable

1. Access Distribution Adjustments (AP30.2).

NOTE Lawson recommends you use comments to track reasons for transfers (reversing incorrect distributions and adding the correct distribution) for reporting and auditing purposes.

- 2. Reverse an existing distribution and add the correct distributions to a released invoice. You can use the Cmt link to add a comment to distributions.
- 3. Identify cost transfer distributions that require approval. You can:
 - Manually monitor distributions on Distribution Approval Listing (AP237).

- Use ProcessFlow to automate approval of distribution adjustments. In order for ProcessFlow to work, the Distribution Adjustments field on Company (AP00.4), Workflow page must be set to Yes.
- 4. Approve cost transfer distributions on Distribution Approval (AP36.2). You can access the form directly, or if you use ProcessFlow to approve distribution adjustments, your work unit will access the form for you.
- 5. Release cost transfer distributions on Distribution Approval (AP36.2).
- 6. Post distribution adjustment records by running Invoice Distribution Closing (AP175).

Rejected Cost Transfers

If one or more line items are rejected on Distribution Adjustments (AP30.2), ProcessFlow can send a message to the originator of the transaction to announce that adjustments were rejected. At that point, the originator has three options:

- Update the records; fix the reason for the rejection, and restart the approval process.
- Delete all the distribution adjustments in the invoice
- Accept the rejection; invoice distributions return to the original state

Processing Manual Commitments

This chapter explains manual commitments in Project Accounting. You can use manual commitments to enter and recognize miscellaneous commitments such as travel expenses, tuition expenses, or resource charges for grant projects in advance of a requisition or invoice.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 337. The following concepts provide background and conceptual information for the procedures within this chapter.

• "How Do I Use Manual Commitments for Grants?" on page 336

How Do I Use Manual Commitments for Grants?

Manual commitments provide Principal Investigators and departmental administrators the ability to enter and recognize miscellaneous manual commitments. You can use manual commitments in Project Accounting to commit budget funds for miscellaneous expenses such as travel expenses, tuition expenses, or miscellaneous resource charges in advance of a requisition or an invoice. Manual commitments appear as commitments in reports and in the budget edit process. Manual commitments are not relieved by any particular expenditure, so you must delete or purge them once the actual expense goes through or the commitment expires.

Procedures in this Chapter

Use the following procedures to enter and manage manual commitments in Project Accounting.

- "Defining Manual Commitments" on page 337
- "Purging Manual Commitments" on page 339

Defining Manual Commitments

A commitment is an expense that will be charged to an activity at a future date. Manual commitments let you designate an expense either before you receive an invoice or for miscellaneous expenses that will not go through other Lawson systems. In other words, you can include an expense obligation to be counted against your budget before you actually incur the expense.

Need More Details? Check out the following concepts:

"How Do I Use Manual Commitments for Grants?" on page 336

STEPS To create manual commitments

- 1. Access Manual Commitments Transaction Entry (AC46.1).
- 2. Enter the details of the commitment. Consider the following fields.

Activity	Type or select the activity for the commitment.
Acct Cat	Type or select the account category for the commitment.
Trans Date	Type or select the date of the transaction.
Exp Date	Type or select an end (or expiration) date for the manual commitment. NOTE The batch purge Manual Commitments Purge (AC346) uses this date
Curr	You can type or select a currency for the transaction.
Amount	Type the amount for the commitment in the transaction currency.

Desc Type a description of the manual commitment transaction.

NOTE If the resource information is the same for all the transaction lines you enter, you can use Default Information (AC46.3) to define resource information for all transaction lines instead of clicking the More link for each individual transaction.

- Optional. To define additional resource information for each transaction, access Additional Information (AC46.4) by clicking the More link on each line. Additional information includes resource type, resource company, and resource code. If additional information exists for a transaction, an asterisk (*) displays next to the More link.
- 4. Optional. After you add a commitment transaction, you can analyze the totals on Commitment Detail Analysis (AC98.1). Click the Totals link by the transaction line.

Related Reports and Inquiries

То	Use
Create a list of current manual commitments and details	Manual Commitments Listing (AC246)
Create a list of all summarized activity commitments (including manual commitments)	Activity Commitment Summary (AC295)
Create a detailed list of all commitments (including manual	Commitment Detail Report (AC298)
commitments)	NOTE This report does not include released ACTRANS commitments.
View activity budgets, actuals, and commitments (including manual commitments)	Activity Analysis (AC90) or Account Category Analysis (AC95)
View commitment detail records (including manual commitments)	Commitment Detail Analysis (AC98)
	NOTE These records do not include released ACTRANS commitments.

Purging Manual Commitments

You can delete individual commitment transactions on Manual Commitments Transaction Entry (AC46.1), but use Manual Commitments Purge (AC346) to purge commitments in a batch by setting up a batch job.

IMPORTANT To make sure that you remove manual commitments that have been expensed, Lawson recommends that you run Manual Commitments Purge (AC346) at least monthly.

STEPS To delete individual manual commitments in a batch

- 1. Access Manual Commitments Purge (AC346).
- 2. Enter the activities that have manual commitments you want to review or purge. You can narrow the activities you specified by including account category groups or specific account categories. Consider the following fields.

Purge Through Date	Type or select the date to purge the manual commitments through.
	Manual commitments with an expiration date less than or equal to the date in this field will be purged.
Update	Choose No to run the program in report only mode. Choose Yes to run the program in update mode and purge the selected records.
	IMPORTANT Before you run AC346 in update mode, use the report only update option (No) to create a listing of the records to be purged.

3. Optional. You can filter the records further by resource using the Other Options page. Other options include resource type, resource company, and resource range.

Chapter 19

Processing Billing and Revenue Management and Accounts Receivable

This chapter explains how to process Lawson Billing and Revenue Management and Accounts Receivable with Lawson Grant Management. Billing and Revenue Management lets you bill sponsors for and recognize revenue on grants. You enter and apply payments using Accounts Receivable.

Concepts in this Chapter

TIP To skip directly to the procedures, see "Procedures in this Chapter" on page 347.

The following concepts provide background and conceptual information for the procedures within this chapter.

- "How Does Grant Management Work with the Lawson Billing Cycle?" on page 343
- "How Does Grant Management Work with the Lawson Revenue Cycle?" on page 344
- "How Does Billing and Revenue Management Handle Unpaid Transactions in Grant Management ?" on page 345
- "What Are the Methods For Applying Cash with Grant Management?" on page 345
- "How Can I Process Billing and Apply Cash by Letter of Credit?" on page 346

Grant Management uses Lawson Billing and Revenue Management to generate invoices.

The billing processes in Lawson can include a wide variety of procedures. The illustration below identifies some key minimum steps that are performed to process invoices.

NOTE For detailed information on billing processes in the Billing and Revenue Management application, see the *Billing and Revenue Management User Guide*. For detailed information on cash application processes, see the *Accounts Receivable User Guide*. See also the required and recommended Billing Revenue Management and Accounts Receivable setup information in the chapter entitled "Setting up Contract Activities for Grants" in this guide.

Figure 18. Overview of Lawson Billing Cycle



Grant Management uses Lawson Billing and Revenue Management to generate invoices and recognize revenue.

The revenue processes in Lawson can include a wide variety of procedures and are separate from the billing processes. The illustration below identifies some key minimum steps that are performed to recognize revenue.

NOTE For detailed information on billing processes in the Billing and Revenue Management application, see the *Billing and Revenue Management User Guide*. See also the required and recommended Billing Revenue Management setup information in the chapter entitled "Setting up Contract Activities for Grants" in this guide.

Figure 19. Overview of Lawson Revenue Cycle



How Does Billing and Revenue Management Handle Unpaid Transactions in Grant Management ?

Contracts that use transaction-based billing methods (such as cost plus or time and materials) may require that Accounts Payable invoices be paid before the grant activity transaction is eligible for billing. The Exclude Unpaid AP field on Contract Parameters (BR10.1), lets you indicate if you want to exclude unpaid Accounts Payable transactions.

After you process payments in Accounts Payable, you will run AP Activity Update (AP178) to update the payment status of the invoice activity transactions that were created before the payment cycle by Invoice Distribution Closing (AP175).

AP175 places transactions on hold if unpaid. After you run Payment Closing (AP170) to close the payment cycle, you must run AP178 to remove paid activity transactions from hold. If you choose to exclude unpaid transactions, Billing Calculation (BR120) will skip unpaid transactions when it calculates invoice amounts.

Likewise, you may need to exclude unpaid Accounts Payable transactions from revenue recognition if you use transaction-based revenue recognition methods (such as full accrual or cost plus). To exclude unpaid transactions from revenue recognition, put transactions on revenue hold using the Unpaid AP field on Mass Transaction Hold (BR142), Other Options page. You can also place individual transactions on hold on Transaction Hold (BR42.1). When you want to exclude unpaid Accounts Payable transactions from revenue recognition, you should run Mass Transaction Hold (BR142) as part of your cycle, before you run Revenue Calculation (BR130).

What Are the Methods For Applying Cash with Grant Management?

For grants, you process billing in Lawson Billing and Revenue Management. You enter and apply cash in Lawson Accounts Receivable. You can use the following methods to apply cash:

- You can apply cash by contract, activity, or activity group. For more information, see "Entering, Applying, and Releasing Cash" on page 353.
- You can apply cash by letter of credit, using an activity list. For more information, see "How Can I Process Billing and Apply Cash by Letter of Credit?" on page 346.

How Can I Process Billing and Apply Cash by Letter of Credit?

Some grant sponsors allow grant recipients to request cash for groups of awards from the agency using the letter of credit process. Draws can be requested as frequently as necessary and generally result in an ACH payment within 24 to 48 hours.

You can assign a letter of credit to a grant activity (in other words, a contract activity) when you set up the contract on Contract Parameters (BR10.1), Customers page. The same letter of credit can be assigned to any contract. Also, multiple grants from multiple sponsor institutes can be on the same letter of credit. Depending on how customers are set up in Accounts Receivable, it might be necessary to apply cash received on the letter of credit for more than one customer.

To calculate amounts for letters of credit, Billing Calculation (BR120) and Invoice Print and Interface (BR121) include an optional letter of credit summary report. The report totals contract billing amounts by letter of credit. This allows the grants administrator to identify and request the appropriate amount for each letter of credit draw.

You can use the Filter button on Contract Activity Application (AR32.1) to enter the letter of credit that you want to apply the payment to on the Standard Transaction tab.

When you enable the filter, all the open transactions associated with the letter of credit display as selected for application. You can adjust the selections. For more information, see "Entering, Applying, and Releasing Cash" on page 353.

For the best efficiency during cash receipts processing, the ACH payment received for a given letter of credit should be processed and updated in Accounts Receivable before the next billing cycle is run for contracts involving that same letter of credit. If cash receipts are not processed, more work is required during cash receipts entry. For example, on May 15, a billing cycle is processed and results in \$150,000 drawn on a letter of credit involving several grant activities (contracts). The ACH payment is receipts. On May 22, the billing cycle is processed and \$200,000 is drawn on the same letter of credit but the receipt is not processed and updated in Accounts Receivable. On May 29, the billing cycle is processed and updated in Accounts Receivable. On May 29, the billing cycle is processed, all open invoices from May 22 and May 29 will be presented, and you will have to manually select which invoices were paid by the \$200,000 draw.

Procedures in this Chapter

Use the following procedures to process billing and recognize revenue for grants in Billing and Revenue Management.

- "Calculating Invoice Amounts" on page 347
- "Creating an Invoice" on page 351
- "Creating a Cash Batch" on page 353
- "Entering, Applying, and Releasing Cash" on page 353
- "Putting Transactions on Hold" on page 357
- "Calculating Revenue" on page 360

Calculating Invoice Amounts

Use this procedure to calculate invoice amounts.

In Lawson, billing usually involves two procedures:

- 1. Calculating the invoice amount on Invoice Calculation (BR120)
- 2. Creating the invoice on Invoice Print and Interface (BR121)

If your organization uses a letter of credit, you do not need to run Invoice Print and Interface (BR121). Use Invoice Calculation (BR120) to calculate an invoice amount which you use to draw against a letter of credit.

STEPS To calculate invoice amounts

- 1. Access Billing Calculation (BR120), Activity page.
- 2. To calculate billable activity amounts, consider the following fields on the Activity page.

Activity Group List / Activity Group / Activities / Activity List	Select the activity group list, activity group, activities, or predefined list to calculate billabl amounts.
-	NOTE Invoice transactions are calculated for all

billable activities included in your selection.

TIP If you are using Attribute Matrix (MX) functionality in Project Accounting, this is where you can use a Letter of Credit list to calculate totals for a letter of credit draw.

Update	Select Yes (Y) to update the billing calculations in the Billing and Revenue Management application, and generate a report. Select No (N) to generate a report only.
	TIP Update creates invoice header and detail records which have invoice numbers assigned to them. If you run Billing Calculation (BR120) in update mode, and add costs and run again, a new invoice for the new cost is created. Make sure your invoice amounts are correct before you run in update mode.

Status	
Status	 Unreleased (0) The amounts calculated will not be added to the invoice when BR121 is run. If you want to use Invoice Edit (BR20) to edit invoices, run BR120 with a status of unreleased.
	• Released (1) Lets BR121 know that the invoice is ready to print. BR121 takes all calculated invoices with a released status, prints them, and updates Project Accounting, General Ledger, and Accounts Receivable.
	 Pending Approval (2) Invoice amount is still calculated but invoice will not be picked up when BR121 is run. This effectively puts the invoice on hold until it gets approved and the status is changed to released on BR45.
	 Processed (3) Use this status if you want to release the invoice and do the same processing as BR121 without running BR121. Once the invoice has been run through BR120 with the processed status, or run through BR121 it is considered all the way through the system and any additional changes would require invoice cancel and then re-issuing a new invoice.
	TIP If you are not running Invoice Print and Interface (BR121), be sure you run Billing Calculation (BR120) with the Update field set to Yes, and the Status field set to Processed (3).
Optional. To identify c and contract on the C	customer information including company, customer, Customer tab.
To identify additional i following fields on the	invoice and calculation parameters, consider the Other Options tab:
Account Category, Contract Category Group, or Summary Account Category	Select the Account Category, Contract Category Group, or Summary Account Category for which you want to calculate invoice amounts.
Bill Overages	Select Yes (Y) or No (N) to recalculate overages based on new ceilings.
	NOTE After your ceiling is lifted, use this option

NOTE After your ceiling is lifted, use this option to bill the current overages until they reach the new ceiling limits.

Final Invoice Label	Choose Yes or No to indicate if the invoices for the contract activity or activities should be marked as final invoice(s).
Suppress Unit Totals	Select Yes (Y) or No (N) to prevent unit totals from being included in all invoices in this run of BR120. If you select Y, unit totals still appear on the invoice lines.
Suppress Units and Rates	Select Yes (Y) or No (N) to prevent all units and totals from being included in all invoices in this run of BR120.
To identify date param Options tab:	neters, consider the following fields on the Date
Through Date Option	Choose a through date option: Posting Date (P) or Transaction Date (T).
	Use this option to determine if Invoice Calculation (BR120) will use the posting date or transaction date of transactions (along with the Though Date) to select transactions to include in the billing calculation.
Through Date	Type the date from which you want to calculate billings.
	NOTE Transactions not yet billed that have a transaction or posting date less than or equal to the date you enter in this field are included in the billing calculation. Determine whether the program uses the transaction date or the posting date by choosing one in the Through Date Options field.
Invoice Date	Type the date you want on the invoice.

5.

Posting Date	Enter the posting date for the transactions.	The
	default is the current system date.	

6. Set the output options on the Output Options page. Consider the following fields.

Invoice Comments	Select Yes (Y) or No (N) to include invoice comments in the billing calculation.
Invoice Register	Choose Yes (Y) or No (N) to include an invoice register on the invoice.
Bill, Unbill Report	Choose Yes (Y) or No (N) to print a report that shows billed and unbilled amounts.
Letter of Credit Summary Report	Choose Yes (Y) or No (N) to create a letter of credit summary report. The report sorts invoice transactions by the letter of credit number assigned to the contract and provides a total amount for each letter of credit.

Creating an Invoice

After you run Billing Calculation (BR120) to calculate billing transactions, use this procedure to create the invoice.

To print cost share and program income information on the invoice, enable cost share and program income and use the customized invoice format.

IMPORTANT This procedure is optional if you use letters of credit.

STEPS To create an invoice

- 1. Access Invoice Print and Interface (BR121).
- 2. To define the activity structure for which you want to create an invoice, consider the following fields on the Activity page:

Activity Group List / Activity	Select the activity group list, activity group, specific activities, or predefined list for which you
Group / Activities / Activity List	want to create an invoice.
	NOTE Invoices are created for all billable activities included in your selection.

Update	Select Yes (Y) to create an invoice, general
	ledger transactions, journal entries, and Accounts
	Receivable invoice records. Select No (N) to only generate a report.

- 3. Optional. Use the Customer page to define additional selection criteria, such as customer information, including company, customer, contract, and user name.
- 4. Optional. You can use the Other Options page to further define your selection criteria. You can view invoices by invoice range, or date range. Consider the following fields.

Suppress Unit Totals	Select Yes (Y) or No (N) to prevent unit totals from being included in all invoices in this run of BR121. If you select Yes, unit totals still appear on the invoice lines.
Suppress Units and Rates	Select Yes (Y) or No (N) to prevent all units and totals from being included in all invoices in this run of BR121.

5. To define print option parameters, consider the following fields on the Output Options page:

Invoice Comments	Select Yes (Y) or No (N) to include invoice comments on the invoice.
Invoice Register	Select Yes (Y) or No (N) to include an invoice register on the invoice.
Bill/Unbill Report	Select Yes (Y) or No (N) to include a report which shows billed and unbilled amounts.
Letter of Credit Summary Report	Select Yes (Y) or No (N) to create a report that sorts invoice transactions by letter of credit number assigned to the contract. It provides a total amount for each letter of credit.

Creating a Cash Batch

Creating a cash batch is the first step in entering cash payments in Accounts Receivable. You define deposit and posting dates, enter totals, and optionally add lock box codes, bank charges, and currency exchanges. In this procedure, you will learn how to create a batch.

STEPS To create a cash batch (header)

1. Access Cash Batch (AR20.1).

2. Create a cash batch by defining the process level, deposit, and post dates. Consider the following fields.

Batch	The batch number. If you chose Yes in the Auto Batch Numbering field on Company (AR01), leave this field blank. When you add the batch, the number is automatically entered. If you chose No, this field is required.
Process Level	Type or choose the process level associated with all payments in the batch. This must be a valid process level on Process Level (AR02).

Entering, Applying, and Releasing Cash

TIP If you use multiple currencies, or need more information about entering, applying, and releasing cash, see *Accounts Receivable User Guide*. When you enter a payment, you must select the open items that the payment will apply to. There are several forms you can use to enter and apply payments.

A recommended form for Grant Management users is Contract Activity Application (AR32.1). Use this form to enter and apply cash to open items that are associated with a contract, contract activity or activity group. You can also review your applications for errors before you process them.

NOTE You can also use Entry and Application (AR30.1), On Account Application (AR33.1), or Line Item Application (AR34.1), but AR32.1 provides the easiest method to apply a payment against open items associated with a contract, contract activity, or activity group, since only activity-based open items appear on this form. For more information on other forms, see the *Accounts Receivable User Guide*.

You must release the batch that payments are associated with to update the customer balances and make the payments available for posting. You cannot adjust the payments after releasing them.

NOTE For more information about creating a cash batch, see *Accounts Receivable User Guide*. **STOP** Before you can enter cash, make sure a cash batch is defined for the contract company on Cash Batch (AR20.1).

STEPS To enter and apply cash using activity-based entry and application

- 1. Access Contract Activity Application (AR32.1).
- 2. Define the payment header. Consider the following fields.

Contract	If you want to define a payment for a contract, type or select the contract name.
	NOTE If you select the contract name, the system will derive the activity, activity group, company, and customer when you add the payment header.
Actvy (Activity)	If you do not know the contract name, you can select the contract or posting activity.
	NOTE If you select the contract or posting activity, the system will derive the contract, activity group, company, and customer when you add the payment header.
Actvy Grp (Activity Group)	If you enter the activity group alone, you must also enter the company and customer information.
Actvy Grp (Activity Group) Company	If you enter the activity group alone, you must also enter the company and customer information. You can enter the AR company that the payment will be credited to. If you entered a contract or contract activity, the system will derive the company when you add the payment header.
Actvy Grp (Activity Group) Company	 If you enter the activity group alone, you must also enter the company and customer information. You can enter the AR company that the payment will be credited to. If you entered a contract or contract activity, the system will derive the company when you add the payment header. If no contract or activity is entered, you must enter the company and customer information.
Actvy Grp (Activity Group) Company Batch	 If you enter the activity group alone, you must also enter the company and customer information. You can enter the AR company that the payment will be credited to. If you entered a contract or contract activity, the system will derive the company when you add the payment header. If no contract or activity is entered, you must enter the company and customer information. Required. Type the batch that the payment belongs to. It must be a valid batch for the company, as defined on Cash Batch (AR20.1).
Actvy Grp (Activity Group) Company Batch Payment	 If you enter the activity group alone, you must also enter the company and customer information. You can enter the AR company that the payment will be credited to. If you entered a contract or contract activity, the system will derive the company when you add the payment header. If no contract or activity is entered, you must enter the company and customer information. Required. Type the batch that the payment belongs to. It must be a valid batch for the company, as defined on Cash Batch (AR20.1). Required. Type the payment reference number as it appears on the remittance.

Customer	You can type or select the AR customer that the payment will be credited to. If you entered a contract or contract activity, the system will derive the company and customer information when you add the payment header.
	If no contract or activity is entered, you must enter the company and customer information.
Trans, Disp	You can select The Transaction Display (Trans Dsp) values, which determine which open items are displayed, or you can let the values default from the value assigned to Trans Display on Customer Group (AR00.1).
	If the Trans Display value is not selected (blank) on AR00.1, the display will default from the contract, activity, or activity group you select on AR32.1.
	If you do not select the contract, activity, or activity group, Contract (C) is the default transaction display.
Post Date	You can type or select the general ledger posting date associated for the cash application(s).
	If the company has Payment/Credit Date selected in the Application Post Date field on Company (AR01.1), the general ledger date defined for the cash batch defaults.
	If the company has System Date selected in the Application Post Date field on Company Options 1 (AR01.2), the current system date defaults.
Choose the Add func	tion to create the payment record. The open items

- 3. Choose the Add function to create the payment record. The open items that meet the header criteria should display. If not, choose the Inquire function to display the open items.
- 4. Select open items for application in one of two ways:
 - Select any individual open item by selecting the Add line action next to the open item, then choose Change form action to select all the items you flagged.

- or -

• Choose Filter to open Selection Criteria (AR32.2). Define open item selection parameters. All open items that meet the criteria will be selected for application.

TIP Selected items have an asterisk (*) in the "P" (partially selected or "Sel" (Selected) column. **NOTE** You can apply cash to transactions that are in non-base currency. The transactions will display in the currency of the payment. For more information, see "How are multiple currency applications handled?" on page 357.

- 5. Optional. Unselect any open items that you selected in error.
 - To unselect all applications associated with a payment, choose the Unselect form action.
 - To unselect individual applications associated with a payment, choose the Delete line action for the application and the Change form action.
- 6. Optional. Define any adjustments, chargebacks or write-offs for the payments. Consider the following tasks:

Adjustments	To create an adjustment, such as a discount or shortage, select an adjustment reason code from the Rsn field, then enter the adjustment amount in the Adj Amount field. Save by using the Change line action and Change form action. TIP Type positive amounts for discounts and
	shortages. Type negative amounts for overage adjustments.
	If you want to use more than one reason code or override the defaulting GL account, activity, or user analysis values, click the More (*) button next to the adjustment to access Contract Activity Adjustment (AR32.3).
Apply credit memos	Select the Add line action next to the credit, then enter the amount you want to apply. The amount of the credit is added to the payment amount.
Write off Payments	Choose the Write-off link to access the Payment Write-off (AR30.3) subform. Write off the payment. You can define general ledger account information for the write-off.
Create a Chargeback	Choose the Memo button to access Chargeback Memo (AR30.7). Use this subform to create and maintain memo chargebacks. You can define general ledger account information for the chargeback.

7. To apply the payment to the selected records, select the Process form action

- or -

Run Automatic Application (AR130) to process the records.

8. When all the payments for a batch have been entered and applied on AR32.1, release the batch by selecting the Release form action.

NOTE You can no longer make changes to any of the payments associated with the batch after the batch is released.

How are multiple currency applications handled?

You can apply cash to transactions that are in non-base currency. The transactions will display in the currency of the payment. Multiple currency application allows you to process transactions when company base, transaction, and payment currencies are all different.

AR32.1 displays all open items for the contract, activity group, or customer you have selected. The following is how the open item currency amounts display.

- Open items that have the same currency as the payment, display in payment currency.
- Open items that have a different currency from the payment, display in payment currency when a currency relationship is defined between the payment and transaction.
- Open items that have a different currency from the payment, display in transaction currency when a currency relationship is **not** defined between the payment and transaction.

IMPORTANT You cannot apply the payment to the open item (or select the item for automatic application on AR130) if the currency relationship or rate does not exist. You will receive an error message indicating that a currency relationship doesn't exist. AR32.1 allows all items to be retrieved but the currency edit prevents an incomplete currency application from occurring.

Putting Transactions on Hold

This procedure describes how to put transactions on hold. You can put transactions on hold for one revenue cycle or until you manually release them. For example, you may want to put transactions on hold if you do not want unpaid Accounts Payable transactions to be recognized for revenue.

STEPS To put transactions related to one activity on hold

1. Access Transaction Hold (BR42.1).

TIP If you want to display only those open items that have a specific currency, use the Selection Criteria filter to limit the display of open items to that currency. Choose the Filter button to open the Selection Criteria subform. Choose the Extended Transaction form tab to type or select a currency code. These items will also be selected for application.

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To put transactions on hold, consider the following fields.

Cycle	Optional. Select a value to determine whether the transaction is on hold for the next billing cycle (Y), is not billable (N), or is on hold for manual release (H).
	To put a transaction on cyclical hold, choose Yes in the Cycle field and then set the other field (Billed or Revenue) to Hold (H).
Bill (Billed)	Optional. Select a value to determine if the transaction has been billed or is on hold.
	To put a transaction on cyclical hold, you choose Yes in the Cycle field and then set the Billed field to Hold (H).
Rev (Revenue)	Optional. Select a value to determine whether revenue has been recognized for the transaction or is on hold.
	To put a transaction on cyclical hold, you choose Yes in the Cycle field and then set the Revenue

2. To narrow the number of transactions displayed, choose the Filter button to access Filter (BR42.2). You can view transactions by cycle, billed field, revenue field, account category, system code, source code, resource, summary account category, and date range.

STEPS To put transactions from multiple activities on hold

1. Access Mass Transaction Hold (BR142).

Consider the following fields on the Activity page:

Activity Group	Optional. Select a value which represents
List / Activity	the activities for which you want to change
Group / Activities	transaction status.
/ Activity List	
	NOTE You can enter a value in only one of the

NOTE You can enter a value in only one of these fields.

Account Category Group / Account Cat Type / Account	Optional. Select a value which represents the account categories for which you want to change transaction status.
Category	
	NOTE You can enter a value in only one of these

NOTE You can enter a value in only one of these fields.

2. To define additional options, consider the following fields on the Other Options page:

Old/New Cycle, Billed, and Revenue	Optional. Select the current (or old) and new status you want to use for the Cycle, Billed, and Revenue fields.
	To put a transaction on cyclical hold, choose Yes in the Cycle field and then set the other field (Billed or Revenue) to Hold (H).
System Code	Optional. Select the system code as selection criteria for the transactions.
Source Code	Optional. Select the source code as selection criteria for the transactions.
Unpaid AP	Select Yes (Y) to place unpaid Accounts Payable transactions on hold for revenue recognition.
Post Date Range	Optional. Select the date range as selection criteria for the transactions.
Update	Optional. Select Yes (Y) to update activity transactions. Select No (N) to view a report of the status change that will be made when you choose to update.

3. To define print option parameters, consider the following fields on the Output Options page:

Summarize Report	Optional. Select Yes or no to indicate the level of detail if you want the report to include. Yes creates a summary report by account category and activity. No creates a detail report that lists each transaction on a separate line.
Page Break	Optional. Select Activity Group (G), Activity (A), or None (N) to determine Where you want to include page breaks.

Follow-up Tasks

- After making adjustments to transactions, run Revenue Calculation (BR130) to update revenue.
- Run Activity Posting (AC190) and Accounting Unit Balance Post (AC191) to post transactions for revenue recognition.

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Chapter 19 Processing Billing and **359** Revenue Management and Accounts Receivable Revenue is calculated based on the method you specify in each contract. The balance on the contract activity is evaluated to determine whether there is a balance in the billed or unbilled account category. If a balance exists in the billed account category, the amount is applied to the billed account category up to the balance amount. Any remaining balance is applied to the unbilled account category. If a balance exists in the unbilled account category. If a balance is applied to the unbilled account category, the entire balance is applied to the unbilled account category, the entire balance is applied to the unbilled account category.

This procedure describes how to calculate activity revenue.

IMPORTANT This procedure is required for all revenue recognition methods.

STEPS To calculate revenue

- 1. Access Revenue Calculation (BR130).
- 2. To calculate revenue, consider the following field on the Activity form tab:

Activity Group List / Activity Group / Activities / Activity List	Optional. Select a value which represents the activities for which you want to calculate revenue. NOTE You can enter a value in only one of these fields.
Update	Optional. Select No (N) to view a report of the calculations that will be generated when you use update. If you need to make adjustments to the revenue amounts, see the Follow-up Tasks listed at the end of this procedure. Select Yes (Y) to update activities and the General Ledger with the new revenue calculations.
	IMPORTANT Select Yes (Y) to update only after you have verified the calculation results on BR130.

3. To define additional options for calculating revenue, consider the following fields on the Other Options form tab:

Through Date	Type a date through which you can restrict revenue recognition.
Through Date Option	Specify whether the Through Date is compared against the transaction date or the GL posting date to determine if transactions are included.
Transaction Date	Enter the date to use as the transaction date for the revenue calculation transactions.
---	---
	This date is required if the Through Date is specified and i is not equal to the current system date.
	If specified, the transaction date is used as the effective date when determining the currency exchange rate in multiple currency situations. If this date is not specified and multiple currencies are used, the system date is used to determine the currency exchange rate.
Posting Date	Enter the date to be used for the posting date for revenue calculation transactions. This date is required if the Through Date is entered and is not equal to the current system date.
Pass Through Account	Optional. This field is used for the Percent Complete revenue method only.
	Choose the account and subaccount to which you want to post pass-thru revenue.
	NOTE Select these fields only if the revenue accounts are different from those you defined on Contract Parameters (BR10.1).
To define print option Output Options form t	parameters, consider the following fields on the ab:

Summarize Report	Optional. Select Yes (Y) to report revenue calculations which include only activity totals. Select No (N) to report revenue calculations which include General Ledger account detail in addition to the activity totals.
Loss Entry	Optional. If the budget amount exceeds the contract, you can indicate whether to include a one-time revenue loss entry in the report.

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Chapter 20

Reports and Listings

The Grant Management application includes several Lawson-defined standard reports and listings that you can use to review and analyze your data. This chapter provides a brief description of the listings and a more complete description of the Grant Management reports.

Grant Management Listings

Listings show the status of the Grant Management data at any point in time. Listing programs generate reports that reflect the state of the Grant Management database. Typically, they do not manipulate data, except for some minimal sorting and totalling. In addition, listings do not provide analytical data. They just show how the data has been set up.

- "Institution Listing (GM200)" on page 364
- "Award Listing (GM201)" on page 365
- "Code Listing (GM202)" on page 365
- "Award Protocol Alert Report (GM203)" on page 366
- "Award Deliverables Alert Report (GM204)" on page 366
- "Salary Cap Schedule Listing (GM205)" on page 367
- "Labor Distribution Listing (GM210)" on page 367
- "Labor Cost Transfer Template Listing (GM212)" on page 368

Institution Listing (GM200)

Use Institution Listing (GM200) to generate a list of all institution profiles and locations (if applicable) you defined on Institution Profile (GM00.1) and Institution Location Profile (GM00.2).

The report is sorted by institution and location.

Required Parameters

None

If you leave the Institution field blank, all institutions defined in the system are included in the report.

If you select Yes in the Print Comments field, comments attached to institutions and locations will appear on the report. The default is No.

Award Listing (GM201)

Use Award Listing (GM201) to generate a list of all awards and details you defined on Award (GM01.1) and the related setup forms. You can use this listing to notify a PI that the award information has been set up in Lawson and that spending can begin. You can run the listing for posting activities (which represent a single year of a grant). You can set the listing to include general activity, contract, and budget detail information.

- Use the Main form to define the activities for which you want to run the listing. You can select all activities in an activity group list, or in an activity group, or in an activity list, or you can select up to six activities to generate the listing for. You can also limit the report to up to five activity statuses.
- Use the Other Options tab to indicate whether to include information such as attributes, contract and budget amounts, cost sharing, program income, personnel, subcontractors, protocols, or deliverables.

If you want budget amounts to print for summary or contract level activities, you must supply a budget number. For posting level activities, if the Budget Number field is left blank, the active budget number defined for each posting activity is used.

You can also choose the currency in which the budget and contract amounts should print. If you do no specify a currency, amounts print in the activity group base currency.

 Use the Output options tab to determine the level of detail that appears on the listing and the sorting order.

You can choose whether to print account category information or not. If you want to print account category information, you can do so at the summary, detail, or both summary and detail level.

You can choose whether to include zero budget amount in the report.

You can limit the report to summary activities, posting activities, or print both (the default).

You can choose whether to print comments. If you choose Yes (Y), comments will print for Award Setup, Protocols, Deliverables, Personnel, and Subcontractors (assuming you selected those items for printing).

You can sort the report by activity (the default) or Principal Investigator.

Code Listing (GM202)

Use Code Listing (GM202) to generate a list of all Grant Management codes and descriptions you defined on Codes (GM02.1).

You can list the codes defined for one code type, or you can leave the Type field blank to list all the Grant Management codes for all types.

Award types are: award types (AW), cost transfer reason codes (CT), business lines (BU), deliverable (DE), division (DI), department (DP), protocol (PC), project type PJ), prime sponsor (SP), and protocol status (ST)

Award Protocol Alert Report (GM203)

Run Award Protocol Alert Report (GM203) to generate a listing of protocols that may be expiring soon and need renewal for grant activities. Protocols are assigned to grant activities on Award Protocols (GM03.3) with a protocol code, a status, and an expiration date.

- Use the Main tab to select the activities for which you want a protocol listing. You must select either an activity group list, or an activity group, or up to six activities. You can further narrow down the activities included to up to five specific activity statuses.
- Use the Other Options tab to limit the protocols to be included in the listing. You can leave all the fields on this tab blank. You can select up to six protocol codes, a protocol status, and a Through Expiration Date. If you do not select an expiration date, today's date is assumed.

You can also decide to print any comments attached to the protocols that are included in the report.

Award Deliverables Alert Report (GM204)

Run Award Deliverables Alert Report (GM204) to print a report of deliverables for a grant activity or activities . Deliverables are assigned to activities on Award Deliverables (GM04.1). A deliverable could be an invention or research report. Deliverable information includes the employee responsible for the deliverable and the deliverable due date and delivered dates. You define your deliverables with a type of DE on Codes (GM02.1).

- Use the Main tab to select the activities for which you want a deliverables listing. You must select either an activity group list, or an activity list, or an activity group, or up to six activities. You can further narrow down the activities included to up to five specific activity statuses.
- Use the Other Options tab to specify a Through Delivered Date or Through Due Date for the report and to optionally limit the deliverables to be included in the listing to up to six deliverable codes. Select a Through Delivered Date to list deliverables that have been delivered by the date specified; or select a Through Due Date to list deliverables that are due by the date specified.

You can also decide to print any comments attached to the deliverables that are included in the report.

Salary Cap Schedule Listing (GM205)

Run Salary Cap Schedule Listing (GM205) to generate a list of salary cap schedules defined on Salary Cap Schedule (GM05.1). A salary cap schedule consists of a name, currency, type, and one or more annual salary cap amounts with effective dates. Salary cap schedules are assigned to posting grant activities that are subject to salary caps.

You can run the program for a single schedule, for a range of schedules, or for all schedules in the system.

Labor Distribution Listing (GM210)

Run Labor Distribution Listing (GM210) to generate a listing of labor distribution records defined on Labor Distribution Template Entry (GM10.2).

On the Main tab, you must select an effective date range and one of three formats.

• Select Employee Format (1) to list labor distribution detail records by employee, job code or position, pay code, and effective date.

When you select the Employee Format, you must select options on the Employee tab. HR Company is required. The remaining fields are optional, but you must honor the "or" conditions (process level or processing group; employee group or employee range).

• Select Activity Format (2) to list labor distribution detail records by activity, account category, and effective date.

When you select the Activity Format, you must select options on the Activity tab.

• Select GL Account Format (3) to list labor distribution detail records by company, accounting unit, account/subaccount, and effective date.

When you select the GL Accounts Format (3), you must select options on the GL Accounts tab. The Company field is required. The remaining fields are optional, but you must honor the "or" conditions (accounting unit range or accounting unit list; accounts range, or accounts list).

Whichever report format you use, you can select additional options on the other report tabs to further limit the number of eligible records. For example, if the report format option is Employee, you can make the required selections on the Employee page, and then further narrow the search by also selecting general ledger account information.

Use the Options tab to indicate whether to include activity, account information, and/or employees ineligible for pay on the report.

Labor Cost Transfer Template Listing (GM212)

Run Labor Cost Transfer Template Listing (GM212) to generate a listing of labor cost transfer template records by employee.

Labor cost transfers redistribute labor costs to grant activities and/or General Ledger accounts after normal labor distribution has occurred. Cost transfers may be needed as a result of effort certification or changes in salary caps, funding status, or employee status. Labor cost transfer templates define how the labor costs are redistributed. You can define labor cost transfer templates one at a time using Labor Cost Transfer Template Entry (GM10.2) or in batch, using Labor Cost Transfer Creation (GM466).

The only required fields on this form are the company, the start date range, and the end date range. Use the other fields to narrow down the list.

Grant Management Reports

This section lists Grant Management reports. Reports are similar to listings, but instead of reporting on database objects, they report on transactions or perform calculations, and they provide analytical data.

- "Effort Exception Report (GM265)" on page 369
- "Award Summary Report (GM400)" on page 370
- "Award Close (GM401)" on page 371
- "Labor Distribution Expiration Report (GM410)" on page 372
- "Labor Distribution Status History Change Report (GM411)" on page 373
- "Salary Cap Alert Report (GM412)" on page 374
- "Effort Variance Report (GM465)" on page 374
- "Effort Comparison Report (GM467)" on page 376
- "Salary Cap Analysis Report (GM468)" on page 377

Effort Exception Report (GM265)

Run Effort Exception Report (GM265) to generate a list of the employees that do not have certified effort. Effort reports are created when you run Effort Calculation and Certification Report (GM165). Primary and secondary certifiers certify the reports on Actual Effort Entry (GM65.2).

- On the Main tab, select an HR company and a reporting period. The reporting period date range you enter here must match the dates on the records you want to print. Optionally, you can narrow down the report to a process level or processing group, and/or to an employee group or employee range. You can also select a sequence number to include only effort reports with that sequence number.
- On the Other Options tab, indicate the effort report statuses to include in the report (all statuses except Completely Certified are included by default), select a report sort order by department/employee (the default), primary certifier, or secondary certifier, and indicate whether to include comments on the report. If your organization uses ProcessFLow for email notifications for effort, select yes in the ProcessFlow Trigger field.

For each employee, the report lists the employee's company/department/ process level, the primary certifier, the secondary certifier (if applicable), the date the report was partially certified (if applicable), and the status of the effort report. Run Award Summary Report (GM400) to view revenue, expense, commitment budget, remaining budget, and applied cash information for award activities. The report also includes general information about the grant activities, including the Principal Investigator (PI), division, department, award sponsor, and sponsor award number. You can sort the report data by grant activity, PI, or division/department.

You can sort the report data by award activity, PI, or division/department.

 Use the Activity tab to select the activity or activities for which you want to run the report. You can run GM400 for an activity group list, an activity group, up to six individual activities, or an activity list. The Activity Level Type field on the Output Options tab determines if posting, summary and contract, or both types of activities are included in the report.

Activities that have been set up on Award (GM01.1) or have a "parent" that is set up on GM01.1 are eligible to be included in the report. If you specify summary or contract type activities in the Activities fields or if summary or contract activities are included in the activity list or activity group list you choose, GM400 automatically includes the children activities of those summary or contract type activities. In other words, any posting, contract, or summary activities "under" a summary or contract activity are also included in the report.

- Use the Other Options tab to select the report period and the type of amount to be printed in the report (Period to Date or Year to Date). Use this tab also to optionally select a budget to compare budgeted and actual amounts, as well as a currency and up to five statuses for which the report should be run.
- Use the Output options tab to select print options, such as the level of detail and activity type to include in the report as well as the sort option.
- Use the Encumber F&A Costs tab to calculate and print an F&A encumbrance amount on the report based on an F&A rate and account categories that you specify.

Adding F&A encumbrances to the report gives you a better picture of overall grant costs, commitments, and remaining budget. You can make sure that the calculations only include eligible cost account categories. You can select an eligible account category group to apply the F&A rate to all the cost account categories in the group that are associated with the selected activities, or you can select up to ten cost account categories to exclude from the calculations and have the program apply the rate to all the cost account categories for the selected activities EXCEPT for the excluded account categories. You must also select an account category where the program will store the calculated encumbrance amounts.

Award Close (GM401)

Run Award Close (GM401) as the first step in the process of closing an award. Use the report to review the total budget, total expense, total revenue, total billed, and total open amounts for a grant activity or activities. Use this information to determine if the award is ready to be closed. For more information, see "Closing an Award" on page 383.

IMPORTANT The GM401 report and the action of changing an activity status to Inactive or Purge will not give a warning if the budget is exceeded. Use Award Summary Report (GM400) or Activity Commitment Summary (AC295) to see if you are over budget.

Labor Distribution Expiration Report (GM410)

Run Labor Distribution Expiration Report (GM410) to identify labor distribution records that are about to expire. Labor distribution records are defined on Labor Distribution Template Entry (GM10.2).

On the Main tab, you must select an distribution end date range and one of three formats.

 Select Employee Format (1) to list labor distribution detail records under each end date by HR company, employee, job code or position, pay code, effective date, activity, account category, GL company/accounting unit/account/subaccount, salary percentage and planned effort percentage.

When you select the Employee Format, you must select options on the Employee tab. HR Company is required. The remaining fields are optional, but you must honor the "or" conditions (process level or processing group; employee group or employee range).

 Select Activity Format (2) to list labor distribution detail records by activity, account category, GL company/accounting unit/account/subaccount, HR company, employee, job code or position, pay code, effective date, salary percentage and planned effort percentage.

When you select the Activity Format, you must select options on the Activity tab.

Select GL Accounts Format (3) to list labor distribution detail records by GL company/accounting unit/account/subaccount, activity, account category, HR company, employee, job code or position, pay code, effective date, salary percentage and planned effort percentage.

When you select the GL Accounts Format (3), you must select options on the GL Accounts tab. The Company field is required. The remaining fields are optional, but you must honor the "or" conditions (accounting unit range or accounting unit list; accounts range, or accounts list).

Whichever report format you use, you can select additional options on the other report tabs to further limit the number of eligible records. For example, if the report format option is Employee, you can make the required selections on the Employee page, and then further narrow the search by also selecting general ledger account information.

Use the Options tab to indicate whether to include activity, account information, and/or employees ineligible for pay on the report.

Use the Options tab to choose whether to include templates with effective dates that are in the future. These are labor distribution records with effective dates later than the current run date. Use this tab also to indicate that you want to sort the report by principal investigator.

Labor Distribution Status History Change Report (GM411)

Run Labor Distribution Status History Change Report (GM411) to print a report of status changes to labor distribution and labor cost transfer lines.

- Use the Main page to choose dates of status changes, status codes, and record types (labor distribution or labor cost transfers, or both) to include on the report and to indicate whether to sort status changes by Principal Investigator (PI).
- Use the Employee page to choose employees to include on the report. If you do not choose any employees, all employees will be included.
- Use the Activity page to choose activities to include on the report. If you do not choose activities, all activities associated with labor distribution and/or labor cost transfer templates will be included.
- Use the GL Accounts page to choose General Ledger accounts to include on the report.

NOTE You do not need to specify General Ledger accounts to run GM411; but if you do not specify General Ledger accounts, any distribution lines that contain General Ledger accounts only (in other words, no activities) will be excluded from the report.

The report sorts by principal investigator (if selected), accounting unit, account category, GL company/accounting unit/account, and status change date. Each line includes the following information about the changed template line: The status change date and time, the new status, the old status, the user who changed the status, the HR company, employee, job code or position, and pay code, the record type (labor distribution or cost transfer), and the template line effective date and end date.

Salary Cap Alert Report (GM412)

Run Salary Cap Alert Report (GM412) to evaluate existing labor distribution templates, salary cap schedules and employee pay to expose templates where an employee's salary exceeds the award's salary cap and salary cap rules have not been applied. Templates are also included if salary cap rules have previously been applied, but a change in salary cap amount or an employee salary has occurred. You can run the report at any time.

Template lines must contain an activity to be eligible for the report.

 Use the Main tab to select a report format and a range of labor distribution template effective dates to include in the report

If you choose the Employee Format option, you must provide employee information (at the minimum you must select an HR company).

If you choose the Activity Format option, you must select activity information (your selection must encompass at least one activity).

With either format option, you can enter both employee and activity information.

- Choose the Employee tab to select the employees to include in the report. If you selected the Employee Format (1) option, you must select at a minimum the HR company for the employees included in the report. You can also limit the report to a process level or processing group and/or to an employee group or range of employees.
- Choose the Activity tab to select the activities to include in the report. If you selected the Activity Format (2) option, you must select either an activity group list, or an activity list, or an activity group, or up to six activities to include in the report.

The Employee Format option produces a report sorted by company, process level, department, and employee, with the distribution templates listed by date and activity under each employee.

The Activity Format option produces a report sorted by activity group and activity, with the distribution templates listed by date and employee under each activity.

Effort Variance Report (GM465)

Run Effort Variance Report (GM465) to print a list of employees and variance amounts for effort. Use the report to see variances which may require labor cost transfers.

NOTE You can also use Labor Transfer Template Creation (GM466) to automatically generate labor transfer templates for employees that exceed a specified tolerance.

The report calculates two variance amounts: the difference between the actual effort percentage and the planned effort percentage, and the difference between the actual effort percentage and the committed salary percentage.

Committed salary percentage is entered on Award Personnel (GM03.1) and applies to the entire grant. Planned salary percentage can vary by period.

You can also specify a variance tolerance that can be applied to the planned salary, the actual salary, the committed salary, or all three.

 Use the Main tab to choose the employees included in the report. At the minimum, you must enter an HR company and a reporting period. The begin and end dates for the reporting period must match the begin and end dates on the effort records you want to include in the report.

You can limit the report to a process level or processing group and to an employee group or employee range (which can consist of a single employee). If you have more than one effort report for an employee and reporting period, you can also specify the sequence number you want to include in the report.

- Use the Other options tab to
 - Select the effort report statuses to include in the report. (All are included by default.)
 - indicate whether the variance report should be for the actual versus planned salary variances (the default), or for the actual versus committed salary variances
 - Type a variance tolerance value to include only those employees who have variances that exceed the tolerance.

If you type a tolerance value, indicate what variance the tolerance should appy to - actual to planned (1), actual to salary (2), actual to committed (3), or all (4). All is the default.

- Choose a sort option for the report. The default is by Department/Employee. You can also sort by Primary Certifier and Secondary Certifier.
- Indicate whether you use Lawson ProcessFlow for email notification for effort. (This requires your organization to have ProcessFlow installed and the Effort Variance service enabled.)
- Indicate whether you want to print line comments (1), header comments (3), both header and line comments (4), or no comments at all (1) on the report. The default is No (1).



CAUTION Avoid printing comments if you create CSV files. Comments tend to cause problems for CSV files.

Effort Comparison Report (GM467)

Run Effort Comparison Report (GM467) to print committed, planned, salary, and actual effort percentages for selected employees and effort reporting periods.

The program also calculates and prints actual effort variances with committed effort, planned effort, and salary.

You must specify an HR company and reporting period. You can also limit the report to a process level OR processing group, and to an employee group OR a range of employees.

You can type a sequence number to select only effort records associated with that sequence number. If you leave the Sequence Number field blank, the program selects only effort records with a blank sequence number.

NOTE A sequence number exists for an effort record only if subsequent effort reports are generated for an employee and reporting period after the effort has been certified.

If the Sequence Number field is blank, select Yes in the Include All Sequences field to include in the report all the effort records with or without sequence numbers. Select No (the default) to include only effort reports with blank sequence numbers. If you typed a sequence number in the Sequence Number field, this field must be No.

In the Print Comments field, you can indicate whether you want to print line comments (2), header comments (3), both header and line comments (4), or no comments at all (1) on the report. The default is No (1).



CAUTION If you decide to include comments on the report, be aware that comments may cause problems for CSV files.

Salary Cap Analysis Report (GM468)

Run Salary Cap Analysis Report (GM468) to compare actual pay to salary cap for selected employees and dates. The employee salaries can come from Lawson or non-Lawson payroll.

NOTE You can run this report at any time. it is recommended that you run it in conjunction with Effort Variance Report (GM465) or Labor Cost Transfer Template Creation (GM466) to expose individuals whose pay exceeded the salary cap for an effort reporting period.

At a minimum, you must select the HR company and effort reporting period for which you want to run the report. You can also limit the report to a process level or processing group and/or to an employee group or range of employees. You can exclude certain pay codes (for example, bonuses) from the report by selecting up to ten exclude pay codes, or by selecting an exclude pay class (which will exclude all the pay codes that are associated with the pay summary groups that comprise the pay class).

This report is designed for .csv output so users can easily extract and analyze data. For each employee selected, the report prints the following information:

- Each paycheck ID for the selected period.
- The pay frequency the check is based on (for example weekly or biweekly).
- The detail of each distribution line, including:
 - The transaction date
 - The pay code (if applicable)
 - The HR company
 - · The accounting unit, account and subaccount
 - The grant (posting) activity and account category
 - The distribution line amount
 - The annualized earnings

For example, 1000.00 weekly, means 52000 annualized.

- The employee's FTE status on the date of the transaction
- The annual salary cap in effect for the activity on the transaction date
- The salary cap adjusted for FTE (salary cap * FTE)

For example if FTE is .5 and salary cap 100000, the salary cap for FTE is 50000.

 An "Over Cap" message if the annualized earnings exceed the salary cap

Federal Compliance Reports

Use the reports in this section to generate the data you need to fill the following federal forms: Federal Cash Transaction Form (Short Form), SF272 and SF272a, and Financial Status Report (Short Form), SF269A

- "Financial Status Report (GM269)" on page 378
- "Federal Cash Transaction Report (GM272)" on page 379

Financial Status Report (GM269)

NOTE If you want to use the indirect expense portion of this report, do not combine fringe and indirect costs into one detail account category. The account category you choose in the Total Indirect Costs Account Category field should be for indirect costs only, not fringe. Run Financial Status Report (GM269) to create a summary of expenditure activity over a specified time period. You can use this report as a worksheet to complete the Financial Status Report (Short Form), SF-269A as prescribed by OMB (Office of Management and Budget document) circulars A-102 and A-110.

The Financial Status Report (Short Form), SF269A provides detail on financial data to report to the federal funding agency. This financial data is usually required at the end of a grant period. You will run the GM269 report for one grant at a time, once a year or every three-to-five years based on the grant schedule.

You can run GM269 for a single summary activity, for multiple contract activities, or a list of contract activities. Entering multiple activities or a list of activities creates a report with all the information combined in to one set of numbers because the multiple activities should represent one grant.

IMPORTANT Be sure that you enter your activities carefully on Financial Status Report (GM269). The report will not make sure that all contract activities included on the report have the same direct sponsor award number associated with them or the same customer or institution. This is assumed because if you do put multiple activities in the same report, the activities are all part of the same grant.

Federal Cash Transaction Report (GM272)

Run Federal Cash Transaction Report (GM272) to create a report you can use as a worksheet to complete the Federal Cash Transaction Form (Short Form), SF272 and SF272a. The Federal Cash Transaction Form (SF272) states the amount of federal cash an institution has on hand and for how long. It is commonly prepared quarterly for an individual grant or for all grants from a particular funding agency. SF272a is a continuation of the SF272 form. When the SF272 report includes multiple grants, the SF272a report contains the detail amounts by grant.

You can run the GM272 report for a summary activity, multiple contract activities, or a list of contract activities. You can also run the report for a letter of credit number. Running the report for a letter of credit number will include the SF272 Continuation information.

IMPORTANT Before you run Federal Cash Transaction Report (GM272), you should apply Accounts Receivable cash. The report uses applied information, not just cash received.

When you use a letter of credit for the GM272 report, the cash application records in Accounts Receivable represent withdrawal amounts, and the payment number associated with each cash receipt is the voucher number. If a letter of credit is not specified for a contract, then the cash application records in Accounts Receivable represent treasury check payments.

Other Application Reports

This section lists some useful programs from other Lawson applications.

Other Application Reports

The following table describes some of the reports in other Lawson applications that may be useful for Grant Management. For details on any of these reports, see the appropriate user guide.

Project Accounting / Billing and Revenue

То	Use
Generate a report that shows the percentage of completion for activities or account categories.	Percent Complete Report (AC265)
Generate a report that summarizes activity commitments, including actuals and remaining budget amounts.	Activity Commitment Summary (AC295)
Generate a report of summarized activity commitments (including manual commitments and F&A encumbrances) that includes the transaction period and year, document number (invoice), item, description, and resource by activity, account category, and system.	Commitment Detail Report (AC298)
Generate a report that combines AR aging data (including information such as open invoice amounts and unapplied cash associated with a contract, and hold and reason code) with data from the BR system about what is about to be billed (including milestones, fees, retention, retainers, and exceeded ceilings).	Aging Report (BR450)

Accounts Receivable

То	Use
Generate a report of transaction applications for transactions (invoices, debit memos, or credit memos) that have activity-based elements.	Activity Application Report (AR237)
List application adjustments for invoices, credit memos, debit memos, and payments that have activity-based elements.	Activity Adjustment Report (AR239)
To generate a transaction aging report for contract activities with outstanding obligations.	Activity Aging Report (AR257)
Generate a report of all transactions, cash application adjustments, non-AR payment transactions, and miscellaneous distributions associated with each activity you select for the report.	Activity Report (AR296)

Accounts Payable / Purchase Order

То	Use
Generate a history of all changes to a vendor, including a vendor company's history of assigned diversity codes.	Vendor Audit (AP135)
Generate a complete list of vendor contacts with comments.	Vendor Listing (AP210)
Generate a report of vendor purchases based on an activity that sums purchasing dollars and breaks out dollars by diversity code.	Vendor Activity (AP211)
Generate a list of distribution comments to track reasons for distribution adjustments.	Comments Listing (AP212)
Generate a list of distributions records and their statuses.	Distribution Approval Listing (AP237)
Monitor certification letters or audit reports for subcontractor vendors.	Subcontractor Monitoring Rpt (PO240)

Payroll

То

Use

Generate a list of hours and Payroll Activity Report (PR285) amounts associated with activities.

Closing an Award

This chapter explains how to close an award in Lawson Grant Management.

Closing an Award

Closing an award in Grant Management involves several tasks. Use the following illustration and procedure to help you close an award.

Figure 20. Overview of Closing an Award



STEPS To close an award

IMPORTANT An award record must be set up on Award (GM01.1) for an activity to be included in the Award Close Report.

- 1. To generate a list to help you determine if processing is complete for an award, run Award Close Report (GM401).
- 2. If the report identifies some processing is required, complete the final processing.

ii the Award Close Report sho	ws inen
Outstanding commitments	Relieve commitments or delete the source that created the commitment
	To get a list of outstanding commitments, run Commitment Detail Report (AC298)
Activity transactions are not post	ted Run Activity Posting (AC190)
Billable transactions are not processed	Run Invoice Calculation (BR120); or BR120 and Invoice Print and Interface (BR121) depending on your processes. Be sure to set the Final Invoice Label field to Yes on BR120.
Revenue transactions are not recognized	Run Revenue Calculation (BR130)
Capitalizable transactions are no processed	ot Run Asset Management Interface (AC160)
Accounting unit balances are no updated	Run Accounting Unit Balance Post (AC191), or run Activity Posting (AC190) with the Post Acct Unit Balances field set to Yes.
Deliverables are not complete	Enter deliverable information on Award Deliverables (GM04.1)

If the Award Close Pepert shows The

- 3. (Optional) To make sure all final processing is complete, re-run Award Close Report (GM401).
- 4. Close the grant activity or activities in Project Accounting.

To close grant activities or a single activity, you change the status for the activity or activities on Activity (AC10.1) or Mass Activity Status Change (AC112). Statuses are defined on Status (AC02.1). You want to choose an "inactive" or "close" status (one that has all fields blank on AC02.1) or a "purge" status (one that has an "X" in the Purge field on AC02.1). When you change the status of a grant to a close/inactive or purge status, the system date of the status change becomes the award close date and displays on Award (GM01.1), Dates page.

IMPORTANT If you change the activity status and re-open the activity, the Actual Close Date on the award will not update again to remove the first date.

Chapter 22

Maintaining Grants Activities

This chapter explains some of the programs you can use to maintain awards and grant activities in Lawson Grant Management.

Grant Management Maintenance

The following table describes programs available in Lawson that you can use to maintain award and activity information.

_	То	Use
-	Purge labor distribution and effort reporting files by HR company and employee. You can delete the labor distribution and effort reporting data without deleting the employee.	Labor Distribution and Effort Purge (GM300)
	Before you can delete an employee who works on grant activities, you will need to run Labor Distribution and Effort Purge (GM300) to delete the labor distribution and effort reporting records for that employee.	
	You delete an employee on Employee (HR11.1) or Employee Purge (PA115).	
-	Purge invoice header and transaction information. You can delete invoice information for an activity, customer, or invoice range. You can only purge an invoice with a status of processed, deleted, or cancelled.	Invoice Purge (BR300)

То	Use
Purge activity information. You can delete activity information for an activity group or activity group list. You can either completely delete activities or zero out the balances.	Activity Group Purge (AC300)
All activities or activities balances associated with the activity group are also purged.	
You cannot purge an activity group unless all associated invoices have already been purged. Use Invoice Purge (BR300) to purge invoices.	
IMPORTANT Activities assigned to the activity group will be purged regardless of activity status. Consider moving activities you want to purge to a dummy activity group using AC10.5 and then delete the dummy group.	
Consolidate transactions for an activity or activity group to reduce the number of transactions without removing the activity from the system.	Activity Purge (AC310)
The system purges all transactions associated with the activity and creates a consolidation transaction instead; balances are retained for the activity. You can remove associated budgets.	
You cannot consolidate activity transactions unless all associated invoices have already been purged. Use Invoice Purge (BR300) to purge invoices.	
Also, you cannot delete activities that have commitment records associated with them.	

Documentation Conventions and Support

Documentation Conventions

This document uses specific text conventions and visual elements.

This	Represents
bold	A key name or function key name. For example, Shift is a key name and Help (F1) is a function key name.
	A value or command that you must type exactly as it appears.
	A program or file name.
italics	A manual title or form name.
	An emphasized word or phrase.
	A placeholder for a user-defined value or variable.

Text Conventions

Visual Elements

STOP Information that you must know before you attempt the procedure or process.

IMPORTANT Important information that you must consider when you perform the procedure.



CAUTION Cautionary information about actions that involve a risk of possible damage to equipment, data, or software.



WARNING Warning information about actions that involve a risk of personal injury or irreversible destruction to the data or operating system.

Product Documentation

Lawson offers the following product documentation:

- Online help
- User guides and manuals
- Release notes and installation instructions

Appendix A Documentation Conventions 387 and Support To find Lawson documentation, see the user interface or http:// support.lawson.com. To obtain a login password and ID for the Support site, see your organization's Lawson contact or your Lawson client manager.

Global Support Center

Lawson Global Support Center (GSC) services are available to all Lawson customers who are on maintenance support for Lawson products. See the *Global Support Manual* for the following information:

- · What information to gather before you contact the GSC
- How to contact the GSC
- How the GSC processes your request
- · Which services are standard maintenance and which are billable

To find the *Global Support Manual*, see http://support.lawson.com. To obtain a login password and ID for the support web site, see your organization's Lawson contact or your Lawson client manager.

Documentation Contact

We welcome your questions or suggestions about Lawson documentation. Please send comments to documentation@lawson.com.

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