Salary Commitment Reporting FAQ’s

June 26, 2013

Background and Definitions – In 2012, a Research Reporting Task Force convened to review the capabilities of research reporting and come up with solutions to better assist the research community. This task force consisted of faculty, administrators, and subject matter experts. There were many requests made by the task force including salary commitment reporting (SCR). Many institutions already rely on SCR as one option in their financial management “toolkit” including peer institutions: Notre Dame, MIT, Harvard, Temple, and Indiana University. Because salaries represent on average 70% of a grant budget, SCR is an approach to automate the projection effort in a standardized way. Without SCR, financial managers are required to build and perform the same projection task multiple times each year using additional tools.

Frequently Asked Questions – “FAQ”

What is Salary Commitment Reporting (SCR)?
SCR is an estimate of anticipated future payroll amounts. Many of us do this today with other tools because Banner has not been able to factor future labor costs into e-print reports. Effective July 1, Banner will project payroll costs based upon these factors:

- An employee’s rate and pay frequency
- Contract begin and end dates
- The length of their remaining appointment as indicated in Banner HR, and
- Budget end date

How does it help me?
Salary Commitments are created for all benefit eligible employees and graduate assistants. The SCR is designed to communicate projected costs for current staffing levels, so financial managers can understand the effects of:

- New staff appointments
- Changes in employee’s job that impacts rate of pay, or
- Adjustments to the duration of an appointment
- Changes in job labor distribution which impacts the cost center being charged salary

How will SCR work at NU?
In the case of “traditional” employees, labor costs would be projected through the end of the fiscal year or until the end their appointment, whichever comes first. For grant-funded employees the projection period is the sooner of the end of their appointment, or the Grant budget end date.

SCR will not be calculated on grants where the budget end date has passed, despite the fact that the individual may in some cases continue to be paid. This happens most frequently in situations where they are awaiting an extension. The salary commitment will recalculate once a new budget end date is adjusted to a future date.

There is no need to adjust commitment amounts in Banner based upon paid payroll. Banner will self-adjust the amounts in the report to reflect (a) the payroll paid in a given pay period, and (b) the remaining salary commitment based upon active employees assigned to that cost center.

If an employee is replaced by an individual with a different appointment period, or different pay rate, Banner will use HR data as inputs to calculate a new projection amount. There is no need to maintain this information in a side system, as this data in the Payroll and HR system is the most current.
Why are we adopting SCR now?
Requests from PI’s and department administrators were the primary motivation to adopt SCR. SCR helps estimate how much funding remains after meeting future Payroll commitments. Today we rely on tools outside of Banner to project future costs and they may still be valuable to you even with SCR. This is not a suggestion that those systems be abandoned. However, if financial managers choose to retain supporting systems, adjustments to how they are maintained may be necessary because the content of e-print reports will change.

When will it be implemented?
SCR will roll out in July, and reports generated during the month will reflect actual pay and projected amounts based on the date that the report is run. A reconciliation session will be provided in mid-July to train financial managers how to interpret the new reports. Additionally, a Brown Bag session will be scheduled for June 26th for additional detail, and the session format will allow participants to pose questions in a group setting.

What will be different with SCR in place?
The most significant difference with SCR in place is that PI’s and department administrators will have more complete decision-making information available if they choose to use it. SCR will not prohibit spending or “lock up” funding. It is intended to provide perspective and a capability that was previously unavailable in Banner reporting.

Who can answer questions for me? Who is my point of contact?
Your initial point of contact should be your Associate Dean for Business and Finance. Both John Harris at x5158 and Debbie Grupp-Patrutz at x7269 lead teams in ORAF and are also available to answer your questions at your convenience.

What isn’t included in the SCR projection?
Certain employee groups will not be included in the calculation of salary commitments. The groups are student employees, temporary non student employees and faculty in the College of Professional Studies.

This new capability in Banner has been provided as part of our ongoing effort to better serve the NU community. We welcome your feedback on the SCR initiative and your input into how we can better meet your needs.

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