Workday Costing Allocations Refresher Training

December 7, 2022

Costing Allocations Overview - Terms & Concepts

What is a Costing Allocation (CA)?

- Each Position has a *Default Organization Assignment* assigned to the Position. It is assigned during the "create position" business process. The default organization assignment is assigned at the *Cost Center level*.

- **CA** determines which Worktag (i.e. Program, Grant) an employee's salary/payroll costs and any other earnings are charged/recorded in the ledger account(s).

- **CA** does not impact an employee getting paid! An End date on a **CA** only ends where the salary and benefits are charged. When no **CA** exists, the costs will post to the *Default Organization Assignment* set up (i.e. Cost Center). *We do not want costs charged directly to the cost center.

- **CA** allow for salary costs to be split across multiple worktags by assigning a percentage to each worktag.

When are Costing Allocations Done

Reason	Business Process	Organization Assignment
Initial Allocation	Create Position	**Cost Center Only!**
Person hired	Hire, Add Job, Promotion, Transfer, etc.	*Detailed Organization* – i.e. Program, Grant, Gift
Change job	FTE Change, Extension, Reappointment, etc.	*Detailed Organization* – i.e. Program, Grant, Gift
Salary increase	Request Compensation Change	*Detailed Organization* – i.e. Program, Grant, Gift
Change worker allocation	"Assign Costing Allocation" OR go to the employees profile => "Pay" => "Costing Allocations"	*Detailed Organization* – i.e. Program, Grant, Gift

UBC

What Security Roles can do Costing Allocations

'Assign Costing Allocation' can be done as a standalone task available to those with one or more of these Workday security roles:
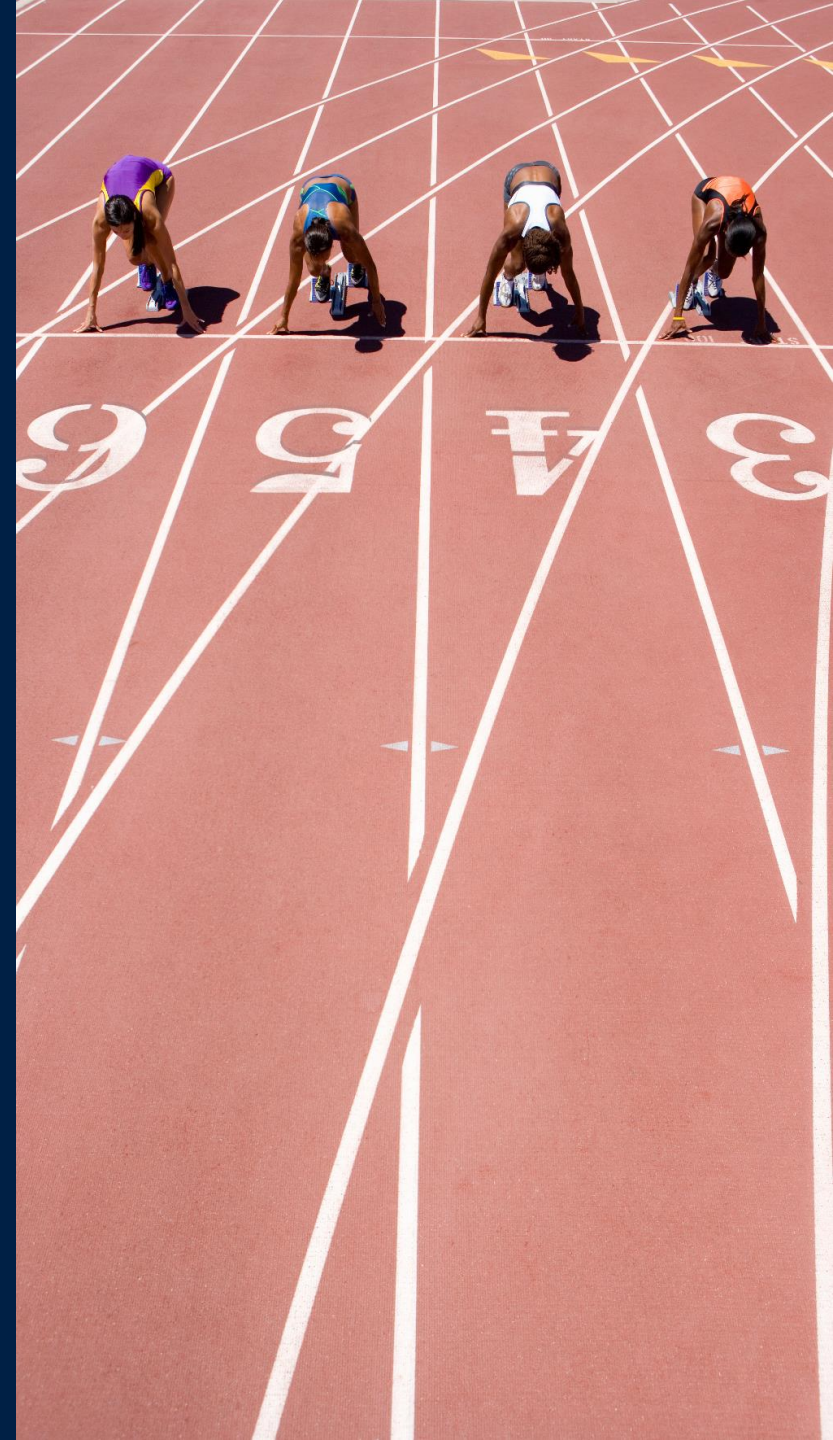
Budget Owner *	Finance Director	Finance HCM Partner
Manager	HR Analyst	HR Partner (UBCV)
Senior FR Partner (UBCV)	FR Executive	Senior HR Partner (UBCV)

* Budget owner = Manager of Worktag

Before Initiating Costing Allocations

- Before making any changes to a costing allocation, review ALL of the existing costing allocations and the dates for which they apply.

- Communicate (outside of Workday) with your Finance Manager/Budget Owner to ensure that sufficient budget is available.

- Know the worktag(s) name/number (i.e. Cost Center, Program, Grant, Gift, Gift Initiative, Project) of where the payroll costs will be allocated/charged.

- **Costing Allocations are visible to Approvers showing % allocated only. They see no Dollar amounts.**
    - The initiator should add supporting documentation or comments advising the financial approver (Budget Manager) of the dollar amount that is being allocated/charged to each Worktag
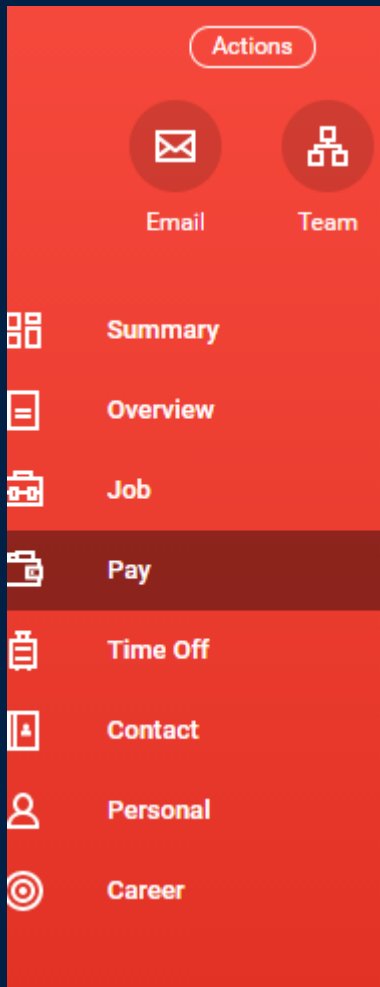
3 Types of Costing Allocation

Allocation Type	Description
"Worker Position" *	**All Employee Earnings** All standard components of a worker's pay use this allocation e.g. salary (Regular Earnings, Faculty Fellowship earnings, etc.). ALL EMPLOYEES MUST HAVE A CA FOR WORKER POSITION!
"Worker Position Earning"	**Each Type of Earnings can have their own Allocation** Used for earnings that require a different allocation. If there are multiple earnings and/or earning types with unique parameters, create a new allocation (ADD) item for each one.
"Position Restrictions"	**For the Position only** This puts the costing allocation on the Position. If position is vacant, commitments are allocated based on this allocation. ****Ensure all active employees and needed vacant positions have a Costing Allocation at the Position Level by March 2023!**

*Every worker should have '**Worker Position**' Costing Allocation for the period of their appointment to avoid costs posted to the default organization (cost center level)

Minimum # of Costing Allocations for every Active Employee

Every Active Employee should have 2 Costing Allocations – at the Worker Level called "Worker Position" and at the Position Level (called Position Restrictions)!
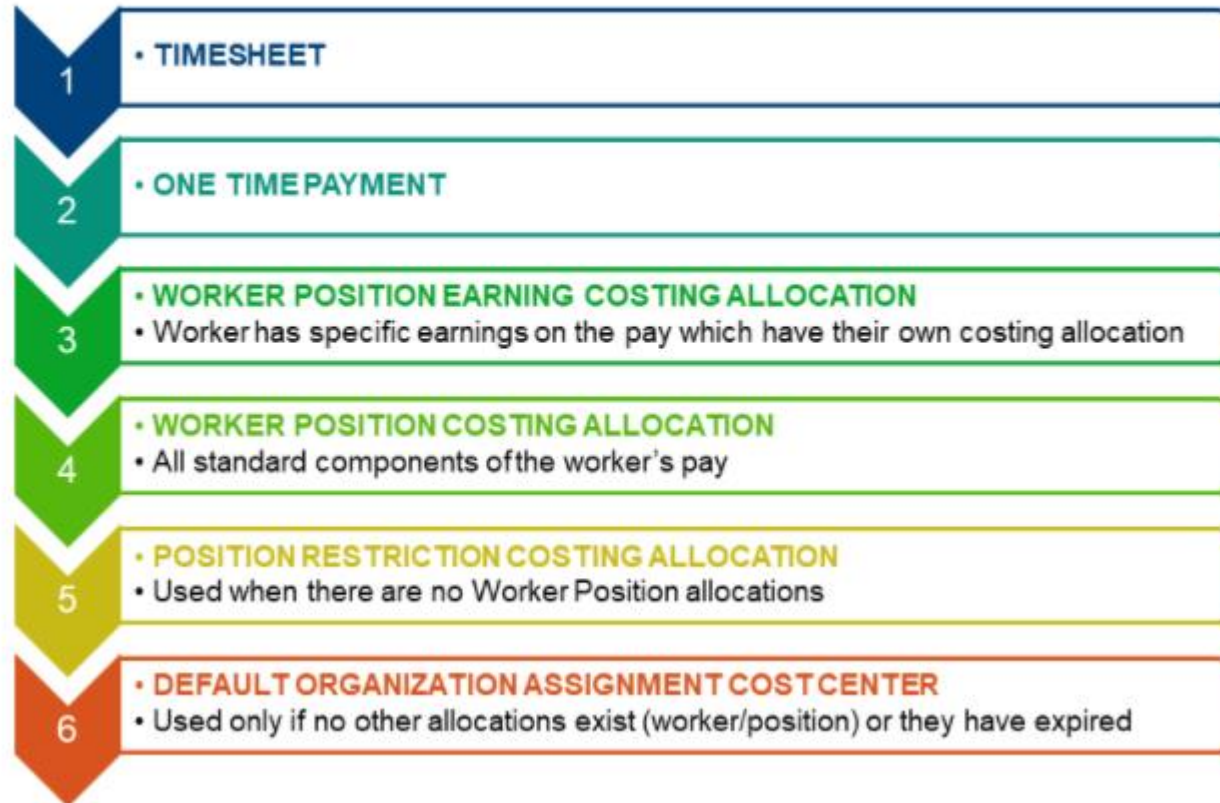
Order of Costing Allocations Types

Payroll Costs post using the worktags from the highest level of this hierarchy (i.e. #1) and all lower ranks are ignored.

If no Worktag is set at any higher level, the costs are posted directly to the Cost Center (this is the Default Organization)

Do NOT charge to payroll costs to Default Organization!!

Earnings Hierarchy

1 • TIMESHEET

2 • ONE TIME PAYMENT

3 • WORKER POSITION EARNING COSTING ALLOCATION
• Worker has specific earnings on the pay which have their own costing allocation

4 • WORKER POSITION COSTING ALLOCATION
• All standard components of the worker's pay

5 • POSITION RESTRICTION COSTING ALLOCATION
• Used when there are no Worker Position allocations

6 • DEFAULT ORGANIZATION ASSIGNMENT COST CENTER
• Used only if no other allocations exist (worker/position) or they have expired

UBC

Example: Order of Costing Allocations Types

Example Scenario 1

A worker has been allocated a Worker Position Costing Allocation set to [Program A], and Position Restriction Costing Allocation set to [Program B].

Outcome: Any pay will post with [Program A], since the Worker Position Costing Allocation is from a higher level than the Position Restriction Costing Allocation.

Example Scenario 2

A worker has been allocated a Worker Position Earning Costing Allocation set to [Program M] for Honoraria Payments, and a Position Restriction Costing Allocation set to [Program N].

Outcome: Any Honoraria payment amounts will go to [Program M] and all other pay will go to [Program N].

VIEWING AND EDITING ORGANIZATION ASSIGNMENTS or COSTING ALLOCATIONS

Viewing the Default Organization Assignment

- Default Org Assignment (Cost Center) is visible on a worker's profile page ("Pay") once they are hired into that position.

- Default Organization assignment are tied to Positions when the Position is first created.

- This Default Org Assignment is used to post salary benefit costs when no other Costing allocation exists. It is used as a last resort as there should always be a lower level costing allocation.

View/Edit Worker Position Costing Allocations – Option 1

To see ALL CA (past), click on 'View All Costing Allocations'

View/Edit Worker Position Costing Allocations – Option 2
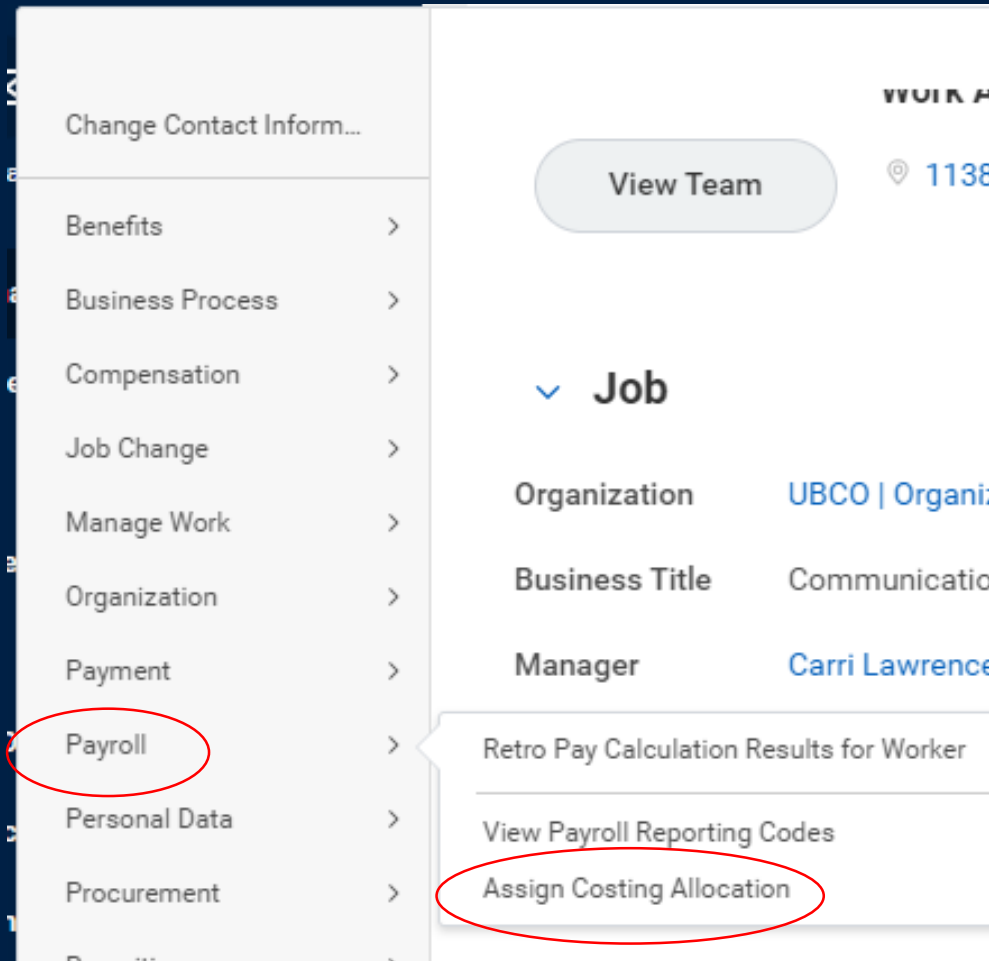
From the Related Actions "…" choose Payroll => Assign Costing Allocations

View/Edit Worker Position Costing Allocations - Standalone business process – "Assign Costing Allocation" Option 3

Editing/Viewing Costing Allocations for Past/Future Positions

Assign Costing Allocation

"Worker Costing" allocates Costing for that specific Worker.
"Position Restrictions Costing" allocates Costing for the Position.

Please include Total Monthly Salary or Hourly rate in the Comment box.

Include Existing Allocations

From   2020-12-01

To   YYYY-MM-DD

Worke

Current Positions	>
Past Positions	>
Future Positions	>

Worker

Position *   Search

×

Earning

Position Restrictions Costing

Effective Date   2020-12-01

OK   Cancel

Use the BP called *"Assign Costing Allocations"*

After entering the employee name, in the Position field choose Past Positions.

Understanding Costing Allocations - Examples

This CA is incorrect as you do not need a CA at only the Regular Earnings Level

Start Date	End Date	Costing Allocation Level	Position Restrictions	Position	Earning	Costing Company	Costing (As of Start Date)
2021-01-01	2021-04-30	Worker Position Earning			Regular Earnings Staff	UBC The University of British Columbia	Cost Center: CC02168 Integrated Service Centre | VPFO Function: FN400 General Administration Fund: FD000 General Purpose Operating
2021-04-01	2021-04-30	Worker Position				UBC The University of British Columbia	Cost Center: CC02168 Integrated Service Centre | VPFO Function: FN400 General Administration Fund: FD000 General Purpose Operating Program: PM009861 Integrated Service Centre | VPFO
2020-09-24	2021-03-31	Worker Position				UBC The University of British Columbia	Cost Center: CC02168 Integrated Service Centre | VPFO Function: FN400 General Administration Fund: FD000 General Purpose Operating Program: PM009861 Integrated Service Centre | VPFO

Remember the order costing allocations are done! First at the Worker Position Earning level!

Note: there is no detailed worktag that was set up so the earnings and benefits will be charged to the Cost Center level

Note: the detailed worktag that payroll costs will be charged to is at the Program level

This worker has a costing allocation set at the Worker Position Earnings level for the period January 1, 2021 to April 30, 2021. This will override the costing allocation at the Worker Position for April 1 to April 30, 2021.
For the period November 1, 2020 (when we went live in Workday) to December 31, 2020, when the above CA takes over, all earnings for this worker will be charged to the Program

16

Note Regarding "Worker Position Earnings" Costing Allocation

Only set up the Costing Allocation at the "Worker Position Earnings" level" if different types of earnings (i.e. honorarium, regular earnings, fellowship earnings, etc.) need to be charged to different Worktags.

If ALL an employees earnings are charged to the SAME Worktag, do not use "Worker Position Earnings" – instead set up the Costing allocation at the "Worker Position" level.

Viewing Costing Allocations - Examples

Start Date	End Date	Costing Allocation Level	Position Restrictions	Position	Earning	Costing Company	Costing (As of Start Date)	Distribution Percent
2021-04-01	2021-04-30	Position Restrictions				UBC The University of British Columbia	Cost Center: CC00753 IT Service Delivery | Information Technology | AVP Finance and Operations - UBCO Function: FN500 Computing and Communications Fund: FD000 General Purpose Operating Program: PM010170 UBCO IT Service Center | Information Technology | AVP Finance and Operations - UBCO	100.00%
2020-11-01	2021-03-31	Position Restrictions				UBC The University of British Columbia	Cost Center: CC00753 IT Service Delivery | Information Technology | AVP Finance and Operations - UBCO Function: FN500 Computing and Communications Fund: FD000 General Purpose Operating Program: PM003959 IT Service Delivery | Information Technology | AVP Finance and Operations - UBCO	100.00%

Note: The Costing Allocation Level above shows a costing allocation done for the Position Only Not the Employee

For the period November 1, 2020 to March 31, 2021, the Position CA is set to PM003959

For the Period April 1, 2021 to April 30, 2021 the Position CA is set to PM010170

Having CA at the Position Level is important for budgeting and forecasting when positions are vacant. Talk to your Finance Manager to ensure you are using the correct Worktag at the position is you are unsure

18

> Default Organizational Assignments

Turn on the new tables view

Current and Future Costing Allocations 3 items

Start Date	End Date	Costing Allocation Level	Position	Earning	Costing Company	Costing (As of Start Date)	Distribution Percent
2021-05-01	2022-12-31	Worker Position Earning		Regular Earnings Faculty	UBC The University of British Columbia	Function: FN900 Research Fund: FD220 Unrestricted Research Grant ABCD	100.00%
2021-05-01	2023-08-31	Worker Position Earning		Faculty Fellowship	UBC The University of British Columbia	Function: FN900 Research Fund: FD200 Sponsored Research Grant ZXRT	100.00%
2020-09-01		Worker Position Earning		Admin Stipend	UBC The University of British Columbia	Function: FN000 Instruction Fund: FD000 General Purpose Operating Program PM99999999	100.00%

From May 1, 2021 to August 31, 2023 all **Faculty Fellowship** earnings will be charged to Grant ABCD.
From May 1, 2021 to December 31, 2022 All Regular Earnings will be charged to Grant ZXRT
From September 1, 2020 onward, the admin stipend will be charged to Program PM99999999

Viewing Costing Allocations - Example

Salary costs are posted to the Worker Position Costing allocation

QUESTIONS

Up Next….

Add/Edit Costing Allocations

Add a Costing Allocation for the Position only – Position Restrictions

Remember the order CA are applied!

If the Worker does not have a "Worker Allocation" but has a allocation for "Position Restrictions Costing", the Position Restriction's allocation will be used.

It's good to have "Position Restrictions Costing" for vacant position but it will only create commitments when there is a job requisition.

Add/Edit/Delete Costing Allocations

Copy Costing Allocation ☐

Start Date * 2020-09-24 📅

End Date YYYY-MM-DD 📅

If you only need to edit the existing allocation, do not change the dates here, simply change the existing allocation

Default Organizational Assignments (As of Start Date)

Cost Center: CC00749 Finance | Finance Strategies and Operations | AVP Finance and Operations - UBCO

Function: FN400 General Administration

Fund: FD000 General Purpose Operating

› **Costing Allocation Attachments**

1 item

	Order	Default (As of Start Date)	Required with no Default (Must have Costing Override)	Program	Grant	Project	Gift	*Cost Center	*Additional Worktags
⊕ ⊖	▽ ▼			✕ PM004084 UBCO-Finance | Finance Strategies and Operations | AVP Finance and Operations - UBCO				✕ CC00749 Finance | Finance Strategies and Operations | AVP Finance and Operations - UBCO	✕ Function: FN400 General Administration ✕ Fund: FD000 General Purpose Operating

◀ ▮

Remove

Add

If a Costing Allocation should be deleted all together, click Remove.
If you need to change the CA to a new Worktag, put an end date on the existing one, and then click the ADD button and add a new CA with the new start date.
TIP – change the start date of new CA to when it should begin, the default is TODAY'S date!

Edit/Delete Costing Allocations at the Worker Position Earnings Level

To change a Costing allocation that was done at the Earnings Level, you MUST populate the type of Earnings in this Earning box. If you do not enter the type of earning in this field it will return Costing Allocations only at the Worker Position level.

Summary - Adding vs Editing a Costing Allocation

Adding:

If a new allocation is required because one is expiring or has ended; the new costing allocation should be added with a start date after the current one.

If you need to change the allocation to a different worktag, first END the existing allocation and THEN ADD a new allocation with a new date

Editing Costing Allocations

An existing costing allocation usually only needs to be edited if you need to change the existing CA, if the existing allocation is incorrect, or if the worktag needs to be changed for a historical pay period.

**You will receive a to do task as part of other business processes to assign costing allocations but you may not need to make any changes to the existing allocations => simply click "Submit" to leave the allocation the same.

If **CA is to a Grant worktag, the costing allocation must have an end date.

Vacant Position Costing Allocations

Vacant Position Allocations

Default Organization Assignment

Position Restriction Costing Allocation
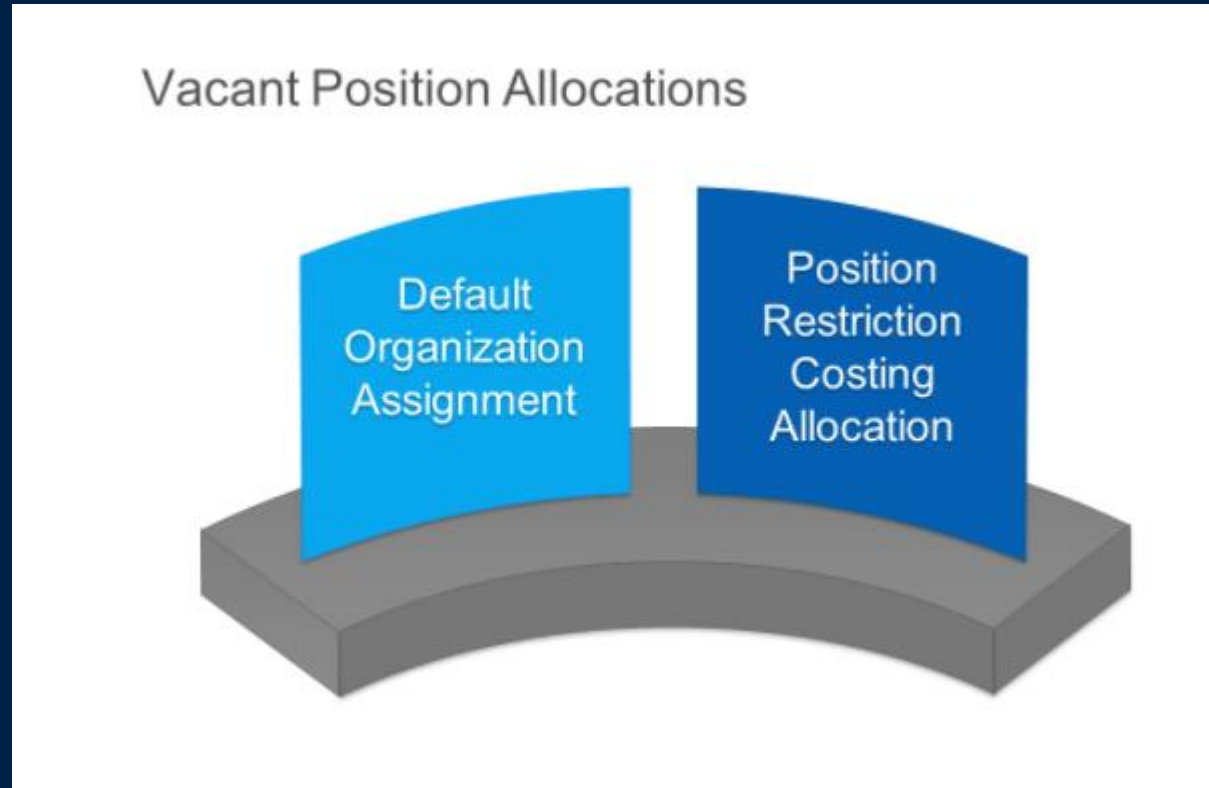
- Positions with a Position Restriction **CA** will allow forecasting at the detailed Worktag level.

- All active positions need to have a position restriction costing allocation if you want them transferred into the new Forecasting/Budgeting tool called "Adaptive Planning" by end of February 2023

One time Payments and Time Entry Costing Allocations

Allocating One-Time Payments

During the 'Request One-Time Payment' task, you have the option to enter different worktags if the payment needs to be allocated elsewhere.

If no worktags are entered in the one-time payment, the amount will default to the worktag in the highest level of the earnings hierarchy as described in Module 1 of this course.

Allocating Worked Time

If a worker's time needs to be allocated to a Program or Cost Center other than their regular costing allocations, worktags can be entered when the time is submitted.

If the time needs allocating to a Grant, Project, Gift, or Gift Initiative the process is a bit more complex. The required steps depend on whether the re-allocated time covers full days or partial days (i.e. a number of hours).

Full Day Re-Allocation	Partial Day Re-Allocation
Adjust the Worker Position costing allocation(s) such that the allocation changes to the alternate worktags for required period.	Use a Payroll Accounting Journal after the pay has been completed to account for the re-allocation of funds.

One time Payments and Time Entry Costing Allocations

Full Day Re-Allocation Example

Situation: A worker needs their time re-allocated to a Grant, Project, Gift, or Gift Initiative different to their regular allocation(s) for a period of 2 full days.

Solution: End the worker's existing costing allocation(s) the day before, create a new costing allocation for the two days which need re-allocating using the alternate worktags, and create another new costing allocation for the period after the two days which reverts back to the original worktags.

Current and Future Costing Allocations 3 items

Start Date	End Date	Costing Allocation Level	Position	Costing Company	Costing (As of Start Date)	Distribution Percent
2021-02-25		Worker Position		UBC The University of British Columbia	Cost Center: CC00116 Central IT Projects - Integrated Renewal Program (IRP)	Campus Wide Expenses - UBCV Function: FN600 Facilities Fund: FD500 Capital Activities	Unrestricted Project: PJ000586 IRP - Finance	Campus Wide Expenses - UBCV	100.00%
2021-02-23	2021-02-24	Worker Position		UBC The University of British Columbia	Cost Center: CC00036 Operations	Allard School of Law Function: FN000 Instruction Fund: FD000 General Purpose Operating Program: PM000101 Departmental Over - Expenditure	Allard School of Law	100.00%
2020-11-01	2021-02-22	Worker Position		UBC The University of British Columbia	Cost Center: CC00116 Central IT Projects - Integrated Renewal Program (IRP)	Campus Wide Expenses - UBCV Function: FN600 Facilities Fund: FD500 Capital Activities	Unrestricted Project: PJ000586 IRP - Finance	Campus Wide Expenses - UBCV	100.00%

Figure 3-9: Screenshot of the configuration discussed in the example above. A new Worker Position costing allocation has been created for the required 2-day period, after which another costing allocation has been created to revert back to the original worktags.

Reminders

- Avoid overriding an existing costing allocation – avoid this by reviewing existing allocations and adding an end date to the existing allocation and adding a new costing allocation.

- Do not make changes to an existing costing allocation when no change is needed. The Assign Costing allocation BP is a sub process of many HR triggered BPs. That means you will get a To Do task in your Inbox. You may simply review it and click submit if no change is required.

- Use caution when creating a CA at the Worker Position Earning level. It is needed only when the employee's different types of earnings need to be allocated to multiple worktags.

- Avoid relying on the Default Organization assignment (i.e. payroll costs are charged to the default cost center only). All employees should have a Worker Position costing allocation. There should be no gaps from November 1, 2020 onward, or from the start date in their position.

- All active positions should have a Position Restriction CA.

- ALWAYS enter the $ salary or $ hourly rate in the comments box or attach document to show salary calculations as Budget Owners/Approvers only see % and not the $ being paid!

- Benefits are posted the same as the salary cost. If benefit funding is coming from a different source, you will need to move funding between Worktags using the Accounting Journal (Talk to your Finance Manager).

- If there is no salary paid to an employee but they are entitled to benefits, benefits will post to the Cost Center. (example: on unpaid leave). The ISC will move these costs on a monthly basis.

Retroactive Costing Allocation Changes

- **Done when you need to move costs to a different worktag in a prior period**

Payroll Accounting Journal (PAJ)
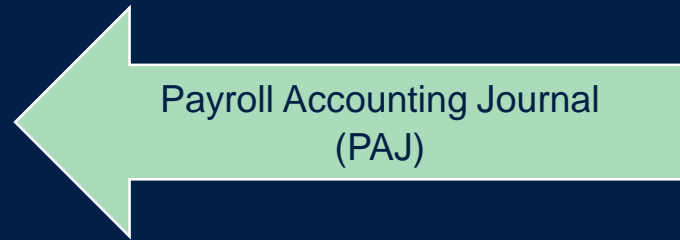
- Requested by department; processed by Payroll
- Should be used rarely. Best practice is to do a PAA. PAJ's do not show in an employees record.
- Used to make adjustments to periods prior to November 1 2020 or correct benefits reallocated

Payroll Accounting Adjustment (PAA)
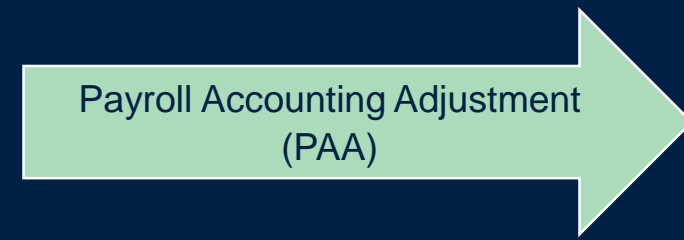
- Done by Payroll to adjust worktags assigned an employee's pay after the payroll has posted (retroactively)
- Payroll receives a report after a CA change is completed; do not request these via ISC ticket
- Developing tool to automate PAAs. Visit UBC Contact Payroll website to see the latest status of PAAs

How to Request Payroll Accounting Journals

Journal Transactions

There are two types of journal transaction that can be processed in Workday: Accounting Journals, and Accounting Adjustments.

Accounting Journals are used for:

- Corrections to transactions that involve splits
- Manual financial reporting adjustments
- Interfund transfers (processed by your Finance Manager)

To request an Accounting Journal, complete the request form and submit, with supporting documentation, to ubco.accountspayable@ubc.ca

Accounting Adjustments are used for:

- Corrections to worktags for supplier invoices and expense reimbursements
- For expense transactions that have been posted and paid

To request an Accounting Adjustment, complete the request form and submit to ubco.accountspayable@ubc.ca

A Workday Quick Guide for Journal transactions has been developed and can be found here:

For detailed information about each type of accounting entry, process and workflow, please click Here

Payroll Accounting Journal Forms

Payroll Accounting Journals are used to record manual adjustments for payroll where Payroll Accounting Adjustments are not feasible. This includes any payroll adjustments for salaries and benefits posted prior to November.

Please submit the completed request form to ubco.payroll@ubc.ca.

1. Navigate to https://finance.ok.ubc.ca/reference/forms-2/

2. Complete the relevant request form

3. Send to appropriate email address listed

UBC

Some Reports to View Costing Allocations

Report Name	Content	Usage
Job & Account Information for Current Employees - Distributed	Provides job information, compensation and active costing allocation information for current faculty/staff/student employees. One or more Supervisory Organization(s) must be selected for which to run the report. Report can also be configured to provide information on specific Worker(s) and or Job Category. Subordinate Organizations can optionally be included.	This report can be used to review all active costing allocations for a group of workers.
All Workers Costing Allocations Current Positions - Distributed	This report extracts employee costing allocations information for their current positions with Worktags separated out into individual columns (flat). This includes the position start & end date as well as the costing allocations start & end date.	This report can be used to review all past/present/future Worker Position and Worker Position Earnings Costing Allocations relating to a current position for a group of workers.
All Workers Costing Allocations incl Historical Positions - Distributed	This report extracts employee costing allocations information not only for their current positions but for positions they've filled in the past, with Worktags separated out into individual columns (flat). This includes the position start & end date as well as the costing allocations start & end date. For historical positions, the column "Shows Position If EE is currently in it" will be blank.	This report can be used to review all past/present/future Worker Position and Worker Position Earnings Costing Allocations relating to both current and historical positions for a group of workers.
Workers Without Active Worker Position Costing Allocation - Distributed	Lists any active workers who are missing a Worker Position costing allocation. Can be filtered by Supervisory Organization, Cost Center, Worker Type, Effective Date.	This report can be used to identify workers who are missing an active Worker Position allocation. It is recommended all active workers have an active Worker Position allocation.
Workers with Upcoming Expiry of Costing Allocation - Distributed	Lists active workers whose costing allocation and worktags are going to expire within a specified time period, as prompted, typically for the open pay period. Can be filtered by Worker(s), Starting End Date, Ending End Date.	This report can be used to identify workers with expiry of costing allocation(s) within a specified date range. If workers have an upcoming expiry, it should be verified that they have adequate allocation(s) for the remainder of their appointment.

Those with a finance security role can also run the Payroll Summary – Distributed report

In the My Organization field you can select multiple worktags or all available to you.

CTRL + A highlights all of them and then hit space bar

35

Some Reports to Investigate Costing Allocations

- **All Worker Costing Allocations for Position** - currently active costing allocations for the worker for this position.
- **Payroll Summary Report** - pay breakdown for the worker for the selected reporting period.
- **Worker Costing Allocation History** - history of all changes to costing allocations for the worker for this position.

Detailed review and comparison of these reports is the first step when a worker's pay has been allocated unexpectedly.

Those with a finance security role can also run the Payroll Summary – Distributed report

Example:

(This animation is on loop)

Payroll Summary - Distributed

Organization	*	Search	☰
Period	*		
Worktags		My Organizations	>
Job Profile		Search for Organization	>
		My Organization Hierarchies	>
		Cost Center	>
		Gifts	>
		All Active Grants	>
		Programs	>

Filter Name

Manage Filters   Save

1 Saved Filters ▾

OK   Cancel

gether with Workday   Awaiting Me

In the My Organization field you can select multiple worktags or all available to you.

CTRL + A highlights all of them and then hit space bar

QUESTIONS

Costing Allocation Resources

Knowledge Base Articles

- Visit the Self-Service Portal at https://ubc.service-now.com/selfservice:
  - Assign Costing Allocation 101 (KB0016866)

Workplace Learning

- Enroll in the Workday Costing Allocations Training
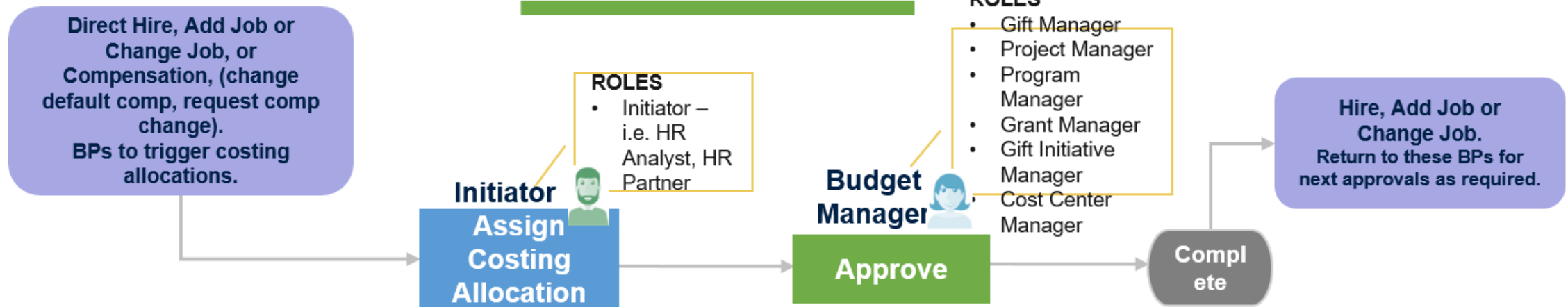- **https://wpl.ubc.ca/browse/irp-training/courses/wpl-irp-ttt-ca**

Appendices

Business Process Flows
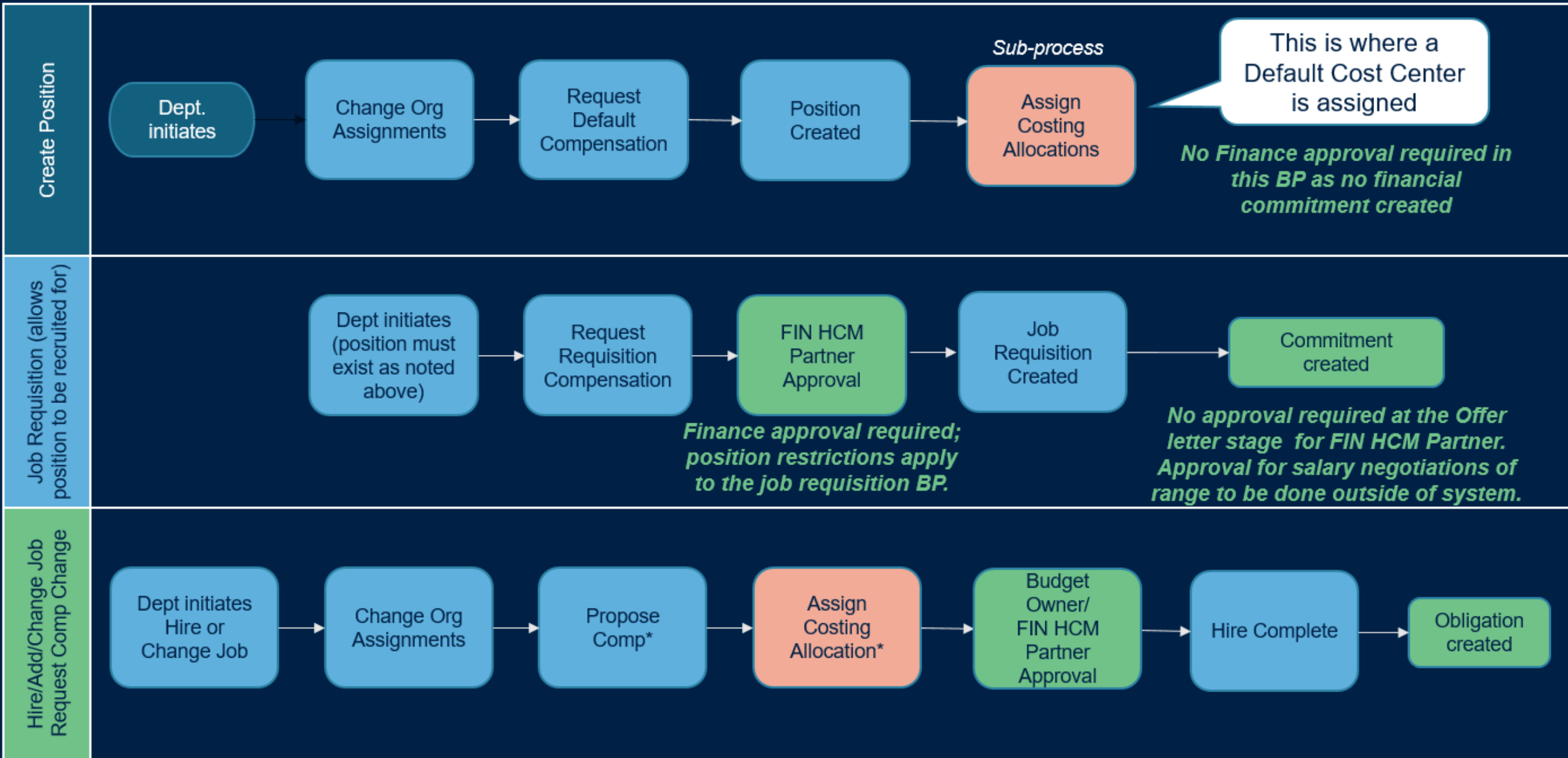
Finance Touchpoints in HR Processes

Complicated Example –
Splitting regular and fellowship earnings between 2 Worktags

Costing allocations (CA) involving multiple earnings types and splitting between multiple worktags

Enter in Yellow boxes only

EXAMPLE:	How is monthly earnings split?		% of Total Salary	Mthly earnings
	Regular Earnings		21.67%	$ 1,083.34
	Fellowship		78.33%	$ 3,916.66
	Total Mthly salary	**Total must = 100%**	100.00%	$ 5,000.00

		% paid from each Worktag	Allocation % to enter into Workday (total must = 100%)	Salary amount charged to each Worktag
1. Do CA for Worker Position Earnings for Fellowship earning first:				
Costing allocation #1 - for Fellowship Earnings	Fellowship - paid from Worktag A	11.66%	14.89%	$ 583.00
Choose Worker Position **and** Earnings type as Faculty Fellowship or Student Fellowship	Fellowship - paid from Worktag B	66.67%	85.11%	$ 3,333.50
		78.33%	100.00%	$ 3,916.50
			Total Above must = 100%	
2. Do CA for Worker Position for all other earnings (Regular Earnings) after submitting first CA (above)				
Choose Worker Position	Reg Earnings Worktag A	21.67%	100%	$ 1,083.50
	Reg Earnings Worktag B	0.00%	0.00%	$ -
		21.67%	100.0%	$ 1,083.34
			Total Above must = 100%	

Contact Carri Lawrence for template