Policy on Retroactive Salary Distribution changes

Retroactive Salary Distribution changes must comply with effort reporting and transfer guidelines contained in this policy. A retroactive change is defined as any change that adjusts a pay period retroactively.

Retroactive changes include:

- A change in one or more ShortCode(s)
- A change in the Percentages of Distribution among existing ShortCodes
- Or a combination of changes in ShortCode(s) and Percentages of Distribution

A retroactive adjustment can affect these time periods:

- Current fiscal year
- Prior fiscal year
- Both current and prior fiscal years

Retroactive Salary Distributions are allowed only in limited circumstances, as discussed below.

A. Sponsored Funds

To comply with Federal Regulations, the University of Michigan has established transfer guidelines requiring that all routine transfers of Sponsored Funds (Fund numbers 20000 and 25000) must be requested within 120 days from the original journal date of the general ledger transaction. Only in extenuating circumstances, supported by a justification, may an exception be granted by Financial Operations to process a transfer request older than 120 days.

B. Non-sponsored Funds

It is the University of Michigan’s practice and policy that all prior fiscal year retroactive payroll transfers for non-sponsored funds must be processed on or before October 31st of the new fiscal year.

C. Effort Reporting

Federal Regulations also mandate Effort Reporting for certain individuals. This policy also serves to maintain compliance where retroactive Salary Distribution changes alter prior certification. Refer to Policy on Effort Certification.

Procedures on how to process a Retroactive Salary Transfer can be found on Financial Operation’s website at http://www.finance.umich.edu/fnops/payroll/forms/salarytransfers.

Related links:

- Procedures

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Applies to: All Departments and Units of the University
Owner: Office of the Executive Vice President and Chief Financial Officer
Primary Contact: Office of the Executive Vice President and Chief Financial Officer