

Standard Practice Guide Policies

Policy on Retroactive Salary Distribution Changes

501.09

Applies to: All Departments and Units of the University

I. POLICY

A. Retroactive Salary Distribution changes must comply with transfer guidelines contained in this policy as well as SPG 501.10, Policy on Effort Certification. A retroactive change is defined as any change that impacts a prior pay period. Retroactive changes include:

1. A change in one or more ShortCode(s)
2. A change in the percentages of distribution among existing ShortCodes
3. A combination of changes in ShortCode(s) and percentages of distribution

B. A retroactive adjustment can affect these periods:

1. Current fiscal year
2. Prior fiscal year
3. Both current and prior fiscal years

C. Retroactive Salary Distributions are allowed only in these limited circumstances:

1. Sponsored Funds

To comply with Federal Regulations, the University 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 Financial Operations grant an exception to process a transfer request older than 120 days.

2. Non-sponsored Funds

It is the University's 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

3. Effort Reporting

This policy also serves to maintain compliance where retroactive Salary Distribution changes alter prior certification. Refer to the Policy on Effort Certification, SPG 501.10.

Procedures on how to process a Retroactive Salary Transfer can be found on Financial Operation's website at <http://www.finance.umich.edu/finops/payroll/forms/salarytransfers> (<http://finance.umich.edu/programs/rules/retroactive-salary-transfers>).

File Attachments

Printable PDF of SPG 501.09, Policy on Retroactive Salary Distribution Changes (https://spg.umich.edu/sites/default/files/policy/Policy%20on%20Retroactive%20Salary%20Distribution%20Changes%20_%20Standard%20Practice%20Guides%20-%20Univer

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Related Links:
Procedures (<http://finance.umich.edu/programs/rules/retroactive-salary-transfers>)

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