



UNSW FINANCE

Change in Process PiMS Future Allocations Process

13 Mar 2020

Context Change in Process Future Allocations - PiMS

Why was split pay removed

- The split pay process was technically complicated in PiMS and regularly caused issues in January resulting in delays finalising year end result and a decision was made that with accrual accounting this was a process no longer required
- The end of December pay now includes an accrual as per all other pays during the year and December results for PiMS salary costs are final as at the last pay in December

January 2020 period issue related to accrual reversals

- In PiMS allocation process only allows the use of dates in pay periods with the exception of 1 January
- It was initially determined that allocations would need to have an end date of the last pay in December due to the removal of the split pay
- Utilising this date however impacted January results as for the actual charge for the first pay in Jan the days related to December went to the new project rather than the old project to offset the accrual reversal
- December year end results were correct, only 2020 results were impacted by this issue
- As part of the issue resolution and prevention in the future, the technical future allocation process was analysed. This technical analysis identified inconsistencies already occurring in the determining of the ongoing allocation when a future allocation had an end date recorded
- This issue will not arise again at the end of 2020 for January 2021 due to the new process below

New Process

- In order to ensure the correct allocation is determined by PiMS the end date for a future allocation will no longer be utilised. PiMS will be updated in the future to remove this option
- For allocation to allow for costs which need to have a full calendar year cost the new forward allocation should commence from the first pay in January. The Finance calendar can be found [here](#) (see the worked example below)
- You may need to diarise to process a retro from the 1 Jan to the pay period from which you commenced the future allocation if you process the allocation before the future date commences.
- A system fix to address the need for the retro from the 1 Jan is not possible – In an ideal world a complete review of the allocation process would occur however this is likely to be highly complex and time consuming and is not on the pipeline for PiMS work at this point in time.

Change from prior process

- End date was utilised where known rather than a new future allocation created for the allocation in the future
- The 1 January is not available as a future allocation commencement date as this does not align to a pay period
- Inconsistencies on the chartfield based on what PiMS utilises after the end date will no longer occur



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Future Allocations Process - PiMS

- Future allocations should **not** be processed with an end date
- Allocations which need to commence on the 1 January will require the following
 1. Future allocation commencing from the first pay in January
 2. Retro allocation from 1 Jan to the first pay in Jan (this may need to be diarised)
 3. A project to no longer be utilised should not be closed until all the accounting entries have been processed. If you close the project and process any rejections to a different project the connection of the GL journals to the PiMS detailed information is lost. Hence projects should not be inactivated until after the second pay in January
- Allocations which are only required for a short period of time
 1. At the same time as you create the first future allocation, also create another future allocation with the going forward department with a future effective date.
 2. Note- You can create future dated forward allocations at any point in time.
- Worked example
 - a) Identified in April 2020
 - b) Costs from May 2020 to December 2020 to go to project abc
 - c) Costs from January 2021 and onwards to go to project fgh
 - d) April 2020
 - a. Future allocation commences May 2020 to project abc (all costs to 31 December including the accrual will be to project abc)
 - b. Future allocation commences 8 January 2021 to project fgh
 - c. Diarise retro allocation for after 8 January 2021 for the period 1 January 2021 to the 7 January 2021 to project fgh
 - e) 8 January 2021
 - a. Create retro allocation for after 8 January 2021 for the period 1 January 2021 to the 7 January 2021 to project fgh (all costs from 1 January 2021 December will be to project abc after processing of the second pay on the 21 January 2021)
 - b. Project abc will have nil costs in 2021 – (the Dec 2020 accrual reversal will be offset by actual expenditure and net to nil after processing of the second pay on the 21 January 2021)
 - c. Project abc can only be inactivated after the second pay on the 21 January 2021