

To: Nancy Creel-Gross, AVP HR Operations and Workday at Yale  
Lucy Lucker, University Controller, Chief Accounting Officer and Workday Finance Lead

From: Meghan Dahlmeyer, Accuracy of Unit Financial Statements Lead

Date: October 29, 2014

**Re: Accuracy of Unit Financial Statements Service Group Recommendation Memo #1**

This memo outlines the recommendations from the Accuracy of Unit Financial Statements Service Group on proposed salary expenditure types and payroll earnings elements that we would like to see implemented for Workday Release 1. The group has been working to simplify and standardize the expenditure types that are needed from the department's perspective based on our current knowledge of the Financial Data Model. While we understand that the model has not been fully developed, we feel that our framework is solid.

**Salary Expenditure Types and Earnings Elements**

Attached are charts that present the recommendation in three ways:

1. Matrix of Expenditure Type and Earnings Elements
2. Matrix of Expenditure Type and Earnings Elements with definitions of earnings elements
3. List of the earnings elements and their use for each ET (type of employee)

Recommendations:

1. Payroll ETs have been reduced from 60 to 8 and are based on the type of employee
2. Earnings Elements have been reduced from 221 to 19 based on the level of detail needed from the department's perspective
3. Only those earnings elements that are applicable to each type of employee should be available for use. This feature will make it much harder to make mistakes in payroll, labor schedules and extra payments
4. Reporting must be able to capture a breakdown of the pay totals within each ET by each of the proposed earnings elements.
5. We realize that there is a need to budget salary expenses with both FTE and fringe in mind, and will continue to explore the best way to do this in partnership with the Finance workstream.

This proposal is contingent upon the ability of Workday to provide easy, reliable access to efficient analysis tools and reports that can provide the level of detail that is required in order to budget appropriately and make sound business decisions. I look forward to hearing your feedback on our proposal, and am happy to discuss these in further detail at any point.

Thank you.

cc: BOLT, & Sandy Stein

Accuracy of Unit Financials Service Group  
 Recommendations for Department Payroll Expenditure Types and Earnings Elements

Earnings Elements for Payroll	EXPENDITURE TYPES FOR PAYROLL							
	Faculty Salary Ladder	Faculty Salary Non-Ladder	Faculty Salary Post-Doc Associate	Post-Doc Fellows	Staff M&P	Staff C&T/S&M	Temporary	Students
Regular Salary & Wages at or below IRS Pension Cap	X	X	X		X	X	X	X
Regular Salary & Wages above IRS Pension Cap	X	X			X			
Sabbatical	X	X**						
Overtime					X	X	X	X
Contractual (recurring) Extra Compensation	X	X	X	X	X	X		
One Time Extra Compensation	X	X	X	X	X	X		
Summer Compensation	X	X						
Bonus (Includes clinical, faculty incentive, etc.)	X	X			X			
Differential Pay (Housing & Education)	X	X			X			
Faculty Phased Retirement	X	X						
Post-Doc Fellowships				X				
Post-Doc Fellow Subsidy				X				
Graduate Student - Stipend								X
Graduate Student Fellowship Teaching								X
Graduate Student Assistant in Research								X
Second Job					X	X	X	X
Shift Differential					X	X	X	
Additional Taxable Earnings (including taxable reimbursements, moving, etc.)	X	X	X	X	X	X	X	X

Accuracy of Unit Financials Service Group  
 Recommendations for Department Payroll Expenditure Types and Earnings Elements

Earnings Elements for Payroll	Definition	EXPENDITURE TYPES FOR PAYROLL							
		Faculty Salary Ladder	Faculty Salary Non-Ladder	Faculty Salary Post-Doc Associate	Post-Doc Fellows	Staff M&P	Staff C&T/S&M	Temporary	Students
Regular Salary & Wages at or below IRS Pension Cap	Base salary or base wages below the IRS pension cap paid to academic and non-academic employees, including holiday/vacation/PTO/sick pay for those eligible (full fringe)	X	X	X		X	X	X	X
Regular Salary & Wages above IRS Pension Cap	Base salary or base wages above the IRS pension cap paid to academic and non-academic employees (2% fringe)	X	X			X			
Sabbatical	Base salary paid during approved triennial or sabbatical leave of absence	X	X**						
Overtime	Wages paid in excess of full-time regular hours to hourly employees or to non-exempt salaried employees					X	X	X	X
Contractual (recurring) Extra Compensation	Recurring payments of supplemental compensation paid based on employment agreement or additional work/administrative responsibilities	X	X	X	X	X	X		
One Time Extra Compensation	One-time payment of supplemental compensation paid based on employment agreement or additional work/administrative responsibilities	X	X	X	X	X	X		
Summer Compensation	Payments to faculty for work done during the summer after their normal work period has ended (Most, but not all, have 9 month salary)	X	X						
Bonus (Includes clinical, faculty incentive, etc.)	Incentive/bonus payment earned when a predetermined performance target is achieved or as part of annual merit review process	X	X			X			
Differential Pay (Housing & Education)	Payments made to offset mortgage deductions (for forgivable loans) or to provide children's education subsidy per employment agreement	X	X			X			
Faculty Phased Retirement	University share of base salary payments to faculty participating in the Phased Retirement Plan	X	X						
Post-Doc Fellowships	Fellowship stipend payments to postdoctoral fellows				X				
Post-Doc Fellow Subsidy	Health and other living subsidy payments to postdoctoral fellows				X				

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Earnings Elements for Payroll	Definition	EXPENDITURE TYPES FOR PAYROLL								
		Faculty Salary Ladder	Faculty Salary Non-Ladder	Faculty Salary Post-Doc Associate	Post-Doc Fellows	Staff M&P	Staff C&T/S&M	Temporary	Students	
Graduate Student - Stipend	Graduate student stipends; paid semi-monthly and non-taxable									X
Graduate Student Fellowship Teaching	Graduate student stipend for required teaching; non-taxable									X
Graduate Student Assistant in Research	Graduate student stipend for research work; taxable earnings									X
Second Job	Payments for work outside of primary assignment (NOT for faculty)					X	X	X		X
Shift Differential	Payments for hourly shift differentials for actual hours worked by CT, MP, and temporary employees during defined eligible shifts; includes holiday premium					X	X	X		
Additional Taxable Earnings (including taxable reimbursements, moving, etc.)	Those recurring or one-time payments, per employment agreement, not related to administrative/work responsibilities, to work performance, to mortgage forgiveness, or to children's education subsidy	X	X	X	X	X	X	X	X	X
Sign On Bonus*	Bonus payments to onboarding employees, per employment agreement	X	X			X				

**NOTES:**

Law School - Visiting Faculty - some have taxable expenses;

Law School - Phased Retirement does apply to Clinical Faculty

\*Sign-on bonus can be combined into one-time extra compensation as long as reason code for reporting exists

\*\*Sabbatical is included for non-ladder faculty as the investigator track does provide for paid sabbatical leave

Second job will also capture graduate student supplemental research which is currently a separate element

There is a need to capture fringe based on both job position and fund - we will be exploring the best way to do this

Accuracy of Unit Financials Service Group  
 Recommendations for Department Payroll Expenditure Types and Earnings Elements

Earnings Elements for Payroll (19)
Regular Salary & Wages at or below IRS Pension Cap
Regular Salary & Wages above IRS Pension Cap
Sabbatical
Overtime
Contractual (recurring) Extra Compensation
One Time Extra Compensation
Summer Compensation
Bonus (Includes clinical, faculty incentive, etc.)
Differential Pay (Housing & Education)
Faculty Phased Retirement
Post-Doc Fellowships
Post-Doc Fellow Subsidy
Graduate Student - Stipend
Graduate Student Fellowship Teaching
Graduate Student Assistant in Research
Second Job
Shift Differential
Additional Taxable Earnings (including taxable reimbursements, moving, etc.)

EXPENDITURE TYPES FOR PAYROLL (8)							
Faculty Salary Ladder	Faculty Salary Non-Ladder	Faculty Salary Post-Doc Associate	Post-Doc Fellows	Staff M&P	Staff C&T/S&M	Temporary	Students
Regular Salary & Wages at or below IRS Cap	Regular Salary & Wages at or below IRS Cap	Regular Salary & Wages	Post-Doc Fellowships	Regular Salary & Wages at or below IRS Cap	Regular Salary & Wages	Regular Salary & Wages	Regular Salary & Wages
Regular Salary & Wages above IRS Cap	Regular Salary & Wages above IRS Cap	Contractual (recurring) Extra Compensation	Post-Doc Fellow Subsidy	Regular Salary & Wages above IRS Cap	Overtime	Overtime	Overtime
Sabbatical	Sabbatical	One Time Extra Compensation	Contractual (recurring) Extra Compensation	Overtime	Contractual (recurring) Extra Compensation	Second Job	Graduate Student - Stipend
Contractual (recurring) Extra Compensation	Contractual (recurring) Extra Compensation	Additional taxable earnings	One Time Extra Compensation	Contractual (recurring) Extra Compensation	One Time Extra Compensation	Shift Differential	Graduate Student Fellowship Teaching
One Time Extra Compensation	One Time Extra Compensation		Additional taxable earnings	One Time Extra Compensation	Second Job	Additional taxable earnings	Graduate Student Assistant in Research
Summer Compensation	Summer Compensation			Bonus	Shift Differential		Second Job
Bonus	Bonus			Differential Pay (Housing & Education)	Additional taxable earnings		
Differential Pay (Housing & Education)	Differential Pay (Housing & Education)			Second Job			
Faculty Phased Retirement	Faculty Phased Retirement			Shift Differential			
Additional taxable earnings	Additional taxable earnings			Additional taxable earnings			
Sign On Bonus	Sign On Bonus ?			Sign On Bonus			