

Commitment Accounting-Payroll Encumbrances

Encumbrances for Gross Pay - Gross pay is encumbered for all earnings types except student hourly wages and all earnings paid through Additional Pay. Encumbrances are calculated for each employee. Encumbrances for gross pay are calculated as *Earnings Per Pay Period x Remaining Pay Periods Through the End of the Fiscal Year or Termination*. The Earnings Per Pay Period for an employee can be found in the PeopleSoft Workforce Administration -- Job Data screen in the Compensation tab for salaried employees. For hourly employees you will need to obtain the hourly rate from the Compensation tab and then refer to the Job Information tab to obtain the employee's standard hours. For encumbrance calculation purposes pay periods are allocated into 10 working days. If the last pay period end date falls on June 28th, the encumbrance calculation would need to include an additional 2/10 of a pay period for June 29 and June 30.

Gross pay encumbrances can be viewed by account and position number in the Commit Acctg Cross Reference Screen in PeopleSoft. (ASU Customizations – ASU Position Management – Commit Acctg Cross Reference). There are also two [Dashboard Reports](#) that include encumbrance information, Financial (SuperReport) and Budget Position Control.

Encumbrances for Employee Related Expenses (ERE) – Currently ERE is encumbered only on Sponsored accounts. The encumbrance calculation is an Advantage only entry. ERE encumbrances do not exist in PeopleSoft. The ERE encumbrance is based on the most recent on-cycle pay period, Gross Pay divided by ERE expenses plus RA/TA Tuition Remission expenses. This percentage is applied against the current period's gross pay encumbrance. For example:

Most Recent Pay Period Gross Pay = \$5,000

Most Recent Period ERE Expense = \$1,600

Most Recent Pay Period Tuition Remission = \$ 685

Current Pay Period Gross Pay Encumbrance = \$4,000

$(1,600 + 685)/5,000 = 0.457$ Calculated ERE Percentage

$4,000 * 0.457 = \$1,828$ Current Pay Period ERE Encumbrance

Encumbrances for Tuition Remission for Flat Rate Accounts being charged to object 7700 will also be encumbered on this same code. Tuition Remission charges for Percentage based accounts charged to object 7200 will be encumbered on 7200.

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There is a pending project to encumber ERE on all accounts through PeopleSoft. The ERE encumbrances will be based upon the ERE rates.