



## Salary Over the Cap in Workday PCAs

Workday automatically calculates the portion of salary under and over salary cap when payroll is calculated. When completing a **Payroll Costing Allocation**, you can designate where the salary over the cap is assigned. However, Workday does not currently support use of grant worktags to pay salary over the cap costs; in the subprocess you must identify a gift, project, program or cost center. If no source of funding or Salary Over the Cap Default is identified, Workday will still calculate salary over the cap and charge it to the employee's default cost center assignment.

This guide will demonstrate:

- How to update the source of funding when completing a PCA
- How to designate the source of funding to a VU grant using the corresponding program worktag.

### Update the Funding Source in a PCA

1. Any distribution charged to a grant where a sponsor imposed salary cap is applicable will be indicated in the column **Salary Over the Cap**. Workday automatically calculates the portion of salary under and over salary cap when payroll is calculated.

**NOTE:** The salary over the cap tag is assigned to the award where the grant is attached. If there is no sponsor imposed cap, no salary over the cap will be calculated.

2. To enter the source of funding to where the calculated salary over the cap should be charged, click the number, in this example, **1**.

**NOTE:** If no source of funding or Salary Over the Cap Default is identified, Workday will still calculate salary over the cap and charge it to the employee's default cost center assignment.

**NOTE:** Workday does not currently support use of grant worktags to pay salary over the cap costs; in the subprocess you must identify a gift, project, program or cost center. The corresponding related worktags will automatically populate.

3. Make any changes as necessary to the funding source for the amount over the cap.

Order	Default (As of Start Date)	Required with no Default (Must have Costing Override)	Costing Company	Grant	Cost Center	*Fund	*Operating Entity	Additional Worktags	+ Distribution Percent	Salary Over the Cap
			Vanderbilt University Medical Center	GR007919 404600081 RHD103348- 02:DEVELOPMENT OF A RELIABLE, VALID, AND SENSITIVE	CC03030 Pediatrics - Neurology Div - CD Acad Grants Gifts	FD004 Sponsored Program Fund	OEAcad_GG Academic Grants and Gifts	CARTS: CTRFG Research - Federal - Grant Function Code: FC19019 Sponsored Research	15	1
			Vanderbilt University Medical Center	GR006994 4046000153 RHD083181- 02:NEUROBEHAVIORAL AND BIOCHEMICAL OUT	CC03030 Pediatrics - Neurology Div - CD Acad Grants Gifts	FD004 Sponsored Program Fund	OEAcad_GG Academic Grants and Gifts	CARTS: CTRFC Research - Federal - Contract Function Code: FC19019 Sponsored Research	1	2

  

Order	Default (As of Start Date)	Required with no Default (Must have Costing Override)	Costing Company	Cost Center	Fund	*Operating Entity	*Assignee	Additional Worktags	+ Distribution Percent
			Vanderbilt University Medical Center	CC03151 Vanderbilt Kennedy Center - AE Acad Research Admin	FD001 General Fund	OEAcad_RA Academic Department Research and Administration		CARTS: CTRIB Research - Internal Funding - Base Allocation Function Code: FC18018 Instruction and Departmental Research	100



## Salary Over the Cap in Workday PCAs - continued

### Salary Over the Cap Default Costing Allocations

1. Default Costing Allocations for salary over the cap funding can be entered in the **Salary Over the Cap Default Costing Allocation Details** section.
2. To enter the default source of funding to where the calculated salary over the cap should be charged, click the + to add a blank row.
3. Enter the appropriate worktags then click **Done**. Note that the default allocation will display a 0.
4. Any amount entered on the distribution line will display a number 1 and will override the default entry.  
**NOTE:** If no default source of funding is identified, Workday will still calculate salary over the cap and charge it to the employee's default cost center assignment.  
**NOTE:** Any line amount previously entered will override the default entry. To apply the default to that line, click the 1 to open the line entry and click— to delete the row.
5. Click **Submit**.

#### Salary Over the Cap Default Costing Allocations 1

Use this grid to specify default allocations for Salary Over the Cap costing. To override the default Salary Over the Cap costing allocations, click the action button in the Salary Over the Cap column on the Costing Allocation Details grid and enter suballocation overrides. If you don't specify defaults on this grid or suballocation overrides from the Costing Allocation Details grid, then Workday uses the organizational defaults for payroll processing.

Salary Over the Cap Default Costing Allocation Details 0 items

+ 2	Order	Default (As of Start Date)	Required with no Default (Must have Costing Override)	Costing Company	Gift	Project	Program
No Data							

0

Cap Amount 225,700.00

1 item

+ 2	Order	Default (As of Start Date)	Required with no Default (Must have Costing Override)	Costing Company 3	Gift	Project	Program	Cost Center	
+ -				Vanderbilt University Medical Center			Additional Worktags	Distribution Percent	Salary Over the Cap
							FC19019 Sponsored Research		
							CARTS: CTRFG Research - Federal - Grant	3	0 4
							Function Code: FC18081 Instruction and Departmental Research - Sponsored Training		
							CARTS: CTRFG Research - Federal - Grant	5	1
							Function Code: FC19019		

5

Submit
Save for Later
Cancel



## Salary Over the Cap in Workday PCAs - continued

### Designating Salary Over the Cap to a VU Grant

Workday does not currently support use of grant worktags to pay salary over the cap costs. Therefore, to charge the salary over the cap to a VU grant, you must first designate the corresponding program worktag in the subprocess. Note that this program worktag is **only** for the salary over the cap subprocess. **Never** use the program worktag to create spend against the VU grant.

To find the corresponding program worktag, use the Cost Center Translator tool at <https://finweb.app.vumc.org/apps/dofappworkdayconversiontools/CostCenterTranslator>

Once the PCA is submitted and approved, VUMC Finance will process a monthly accounting journal to reclass the program worktag to the grant worktag for the VU grant.

Order	Default (As of Start Date)	Required with no Default (Must have Costing Override)	Costing Company	Cost Center	Fund	*Operating Entity	*Assignee	Additional Worktags	* Distribution Percent
			x Vanderbilt University Medical Center	x CC03151 Vanderbilt Kennedy Center - AE Acad Research Admin	x FD001 General Fund	x OEAcad_RA Academic Department Research and Administration		x CARTS: CTRIB Research - Internal Funding - Base Allocation x Funding: Internal and Departmental Research	100

Submit
Save for Later
Cancel

1. After clicking the number to open the subprocess window, click the **X** in the Additional Worktags column to remove the displayed worktags.
2. Enter the program worktag designated for the VU grant.
3. All related worktags will automatically populate.
4. Save and submit your Payroll Costing Allocation.
5. Finance will then reclass the Salary Over the Cap expenses charged to the program worktag to the appropriate grant worktag.



## Salary Over the Cap in PAAs

In Workday, the salary over the cap functionality is not automated on Payroll Accounting Adjustments (PAAs).

This means that when you create your PAA for an employee who has effort on an award that is subject to a salary cap, creating the PAA has more steps. An offline calculator is necessary to identify the % to the grant or contract and the % to the salary over the cap funding source. Those calculated %s will then be manually entered into the PAA.

This process is different if the PAA is kicked off as part of the effort certification process. The PAA will be kicked off

### Salary Over the Cap Calculator

1. The offline calculator tool is available here: <https://finweb.app.vumc.org/apps/DOFAppPAACalculators/>
2. Click one of the Salary Cap amounts according to the award. (NIH prior to 2/1/24, current NIH, or PCORI).
3. Selection will be visible in the Annual Salary Cap field.
4. Enter the employee's regular monthly pay for the period you are adjusting.
5. Following the instructions, add the costing tag and new effort distribution.
6. The calculator will provide output that includes the % effort to allocate and the % over the cap.
7. Confirm the dollars calculated agree on the next screen in the Proposed Adjustments for each pay period.
8. Attach a screenshot or print to PDF a copy of the calculated salary over the cap %s to expedite the review process.

**Enter the applicable salary cap**

Annual Salary Cap: \$ 212,100.00 3 Monthly \$ 17,675.00

**Enter the worker's monthly salary**

Annual Salary: \$ 399,999.96 4 Monthly \$ 33,333.33

For effort changes prior to February 1, 2024 for NIH Salary cap enforced awards, use the Annual Salary Cap amount of **\$212,100.00**.

For effort changes for periods beginning February 1, 2024 and forward for NIH Salary Cap enforced awards, use the Annual Salary Cap amount of **\$221,900.00**.

For PCORI Salary Cap enforced awards, use the Annual Salary Cap amount of **\$200,000.00**.

**Enter the NEW % effort values you wish to be reflected after completing the PAA.** Print Export

Primary Costing Worktag <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px;">5</span>	NEW Effort % on PAA	% Effort Charged to Grant <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px;">6</span>	% Effort Over the Cap	Monthly Salary	\$ Amount to Grant <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px;">7</span>	\$ Amount Over the Cap <span style="border: 1px solid #ccc; border-radius: 50%; padding: 2px;">8</span>
T GR010712	% 5.00	% 2.6513	% 2.3487	\$ 1,666.67	\$ 883.75	\$ 782.92
T	% 0.00	% 0.0000	% 0.0000	\$ 0.00	\$ 0.00	\$ 0.00
T	% 0.00	% 0.0000	% 0.0000	\$ 0.00	\$ 0.00	\$ 0.00
<b>Total:</b>	% 5.00 <input checked="" type="checkbox"/>	% 2.65 <input checked="" type="checkbox"/>	% 2.35 <input checked="" type="checkbox"/>	\$ 1,666.67 <input checked="" type="checkbox"/>	\$ 883.75 <input checked="" type="checkbox"/>	\$ 782.92 <input checked="" type="checkbox"/>

\* Only input worktags where costing is being modified.  
Reminder: Salary over the Cap is not automatically calculated in the PAA



## Salary Over the Cap in Workday PAAs- continued

### Manually Entering % for Salary Over the Cap in PAA

When entering the salary over the cap (SOC) portion to the PAA, it is imperative to enter the worktags in the **correct order**. Not entering them in the correct order, will result in an **incorrect** entry being made.

1. Add an allocation row.
2. Select Pay Component(s).
3. Enter the **Grant Worktag** (GR), related worktags will update.
4. Enter the calculated effort %.

#### Next Distribution Line:

5. Add an allocation row.
6. Select Pay Component(s).
7. Enter the **Grant Worktag** (GR) and delete all worktags except for the Grant Worktag (GR).
8. Enter SOC funding source (gift, program, or cost center worktag). Associated worktags will populate.
9. Ensure fund type is always FD001. If fund is not present, repeat steps 7 and 8 in the correct order.
10. Add the SOC worktag type from the dropdown. (this allows for organizational visibility on our SOC costs).
11. Enter the calculated effort %.

Repeat these steps for any other distributions to worktags where SOC is applicable. If SOC is not applicable, enter the distribution % without the split lines.

12. Click OK.

Order	*Position	*Pay Component(s)	Costing Company	Worktags	*Distribution Percent
1	P00098765 Professor - Anita Knapp (0123456)	Regular (Salary) (REGSAL) 2	Vanderbilt University Medical Center	CARTS: CTRFG Research - Federal - Grant 3 Cost Center: CC01111 Example - AE Acad Grants Function Code: FC19019 Sponsored Research Fund: FD004 Sponsored Program Fund Grant: GR011223 Federal Grant Example subject to NIH Salary Cap Operating Entity: OEAcad_GG Academic Grants and Gifts LESS (1)	4 2.65
5	P00098765 Professor - Anita Knapp (0123456)	Regular (Salary) (REGSAL) 6	Vanderbilt University Medical Center	CARTS: CTRID Research - Internal Funding - Department APS Cost Center: CC09999 Example - CD Clin Research Admin 8 Function Code: FC18018 Instruction and Departmental Research Fund: FD001 General Fund 9 Grant: GR011223 Federal Grant Example subject to NIH Salary Cap 7 Operating Entity: OEClin_RA Clinical Department Research and Administration Program: PG000112 CD - Clin Research Admin Example Salary Over the Cap Type: NIH Level II Salary Cap LESS (3)	11 2.35

12 OK Cancel

← Salary Over The Cap Types 10

Salary Over the Cap Type: NIH Level II Salary Cap

Salary Over the Cap Type: PCORI