



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 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 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 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	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

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 Workday PAAs

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

This means what when you create your PAA for an employee who has effort that is subject to an award with a cap, creating the PAA has more steps. An offline calculator is necessary to identify the % to the grant and the % to the salary over the cap funding source. Those %'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 automatically when a change is made to certified effort. More information and training will be available as part of the new effort certification process in Workday.

Salary Over the Cap Calculator

1. The offline calculator tool is available here: <https://finweb.app.vumc.org/apps/DOFAppPAACalculators/>
2. Enter the employee's gross pay for the period you are adjusting.
3. Following the instructions, add the costing tag and new effort distribution.
4. The calculator will provide output that includes the % effort to allocate and the % over the cap.

Enter the applicable salary cap

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

Enter the worker's gross monthly salary

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

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

Primary Costing Worktag	NEW Effort % on PAA	% Effort Charged to Grant	% Effort Over the Cap	Monthly Salary	\$ Amount to Grant	\$ Amount Over the Cap
T gr010712	% 5.00	% 2.65	% 2.35	\$ 1,666.67	\$ 883.75	\$ 782.92
T	% 0.00	% 0.00	% 0.00	\$ 0.00	\$ 0.00	\$ 0.00
T	% 0.00	% 0.00	% 0.00	\$ 0.00	\$ 0.00	\$ 0.00
Total:	% 5.00	% 2.65	% 2.35	\$ 1,666.67	\$ 883.75	\$ 782.92

* Only input worktags where costing is being modified.



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, related worktags will update.
4. Enter the calculated effort %.
5. Add an allocation row.
6. Select Pay Component(s).
7. Enter the Grant Worktag and delete all worktags except for the Grant worktag.
8. Enter SOC funding source (gift, program, project or cost center worktag).
9. Ensure fund type is always FD001. Note that the initiator may need to override the default by deleting the fund worktag and reselecting the fund from the dropdown.
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 % in as described at the beginning of the materials.

12. Click OK.

Order	*Position	*Pay Component(s)	Costing Company	Worktags	*Distribution Percent
1	P00013190 Clin/Tran Research Coord III - Deepa Arun (0092151)	Regular (Salary) (REGSAL) 2		CARTS: CTRFG Research - Grant 3 Cost Center: CC02979 Pathology - CD Acad Grants Gifts Function Code: FC18081 Instruction and Departmental Research - Sponsored Training Fund: FD004 Sponsored Program Fund GR010712 4045001181 FAI161860-01.HUALIANG PI Operating Entity: OEAcad_GG Academic Grants and Gifts LESS (1)	4 2.65
5	P00013190 Clin/Tran Research Coord III - Deepa Arun (0092151)	Regular (Salary) (REGSAL) 6		Cost Center: CC03012 Pediatrics - Hematology Div - CD Acad Grants Gifts 7 Fund: FD001 General Fund 8 Operating Entity: OEAcad_GG Academic Grants and Gifts 9 Salary Over the Cap Type: NIH Level II Salary Cap	11 2.35

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Salary Over the Cap Type: NIH Level II Salary Cap

Salary Over the Cap Type: PCORI