



## Case Study 8: How to make a Payroll Budget virement and efficiency hint

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Budget virements exist to move the budgets between two employees, typically this might be a post vacant at the point the budget was set and therefore created as a “new employee”. Once the post is filled and the new postholder is paid as an “existing employee” the budget virement screen allows the budget to be transferred. Look towards the end of this section to check **“conditions that must be met for successful virement”**.

Go to the cost centre hierarchy and select your initial navigation point. You should take ownership at least as department level N.B. For the budget virement to work correctly you need to be navigated to a roll up level high enough to cover both the “from” and the “to” of the proposed virement.

Move to the “vire payroll” screen.



Select department and financial year.

Select an employee to vire the budget **from** (from drop down list – start typing surname and press enter to move within the list, or scroll down)

Then do the same with employee **to**

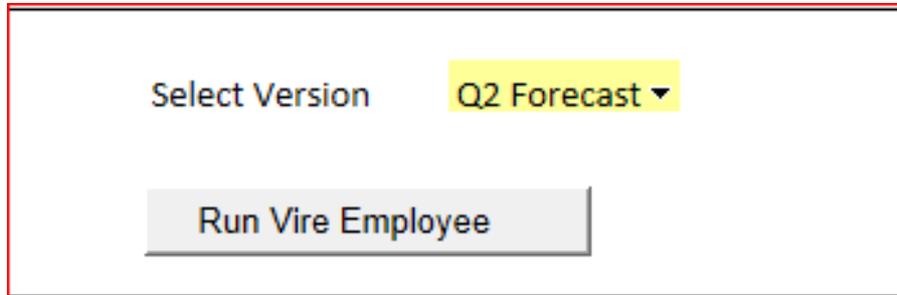
Budget values will appear in the month from

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Budget	3189.96	3189.96	3287.97	3287.97	3287.97	3287.97	3287.97	3287.97	3300.90	3300.90	3300.90	3300.90
Vired Months	0	0	0	0	0	1	1	1	1	1	1	1



Select the months to vire by putting 1 in the relevant cell.

Then make sure the correct version is selected in the bottom box, save  and run the process



Once the process has run, return to the main payroll planning screen. The budget virement will have impacted the budget columns (Full year and YTD). The way to view this is to click out those columns using the + box highlighted in the screen shot below.

		College	Vire Code	Total FY Budget	Total YTD Budget	YTD Actual	YTD Variance
Total of Employee ID Split		Total of Pay Element		2,713,600	655,044	640,515	14,529
		Recurrent		2,691,963	650,289	638,669	11,620
		Non Recurrent		21,637	4,755	1,846	2,909
Existing Employees		Total of Pay Element		2,380,981	592,704	640,515	-47,811
		Recurrent		2,373,809	591,256	638,669	-47,413
		Non Recurrent		7,172	1,448	1,846	-398
2348686		Total of Pay Element		22,295	7,422	7,345	76
		Recurrent		22,295	7,422	7,345	76
		Non Recurrent		0	0	0	0
2359902		Total of Pay Element		49,156	10,259	10,257	2
		Recurrent		49,156	10,259	10,257	2
		Non Recurrent		0	0	0	0

Clicking out will show both the original budget and the virement entry to arrive at what is displayed as total FY budget and total YTD budget.

**The total overall budget agreed is already fixed of course, so “to” and “from” entries must balance out to zero.**

This is illustrated in the next screen shot over the page.

Note that once vired, it is possible to reverse this by going through the same procedure but changing the “1” back to “0” and rerunning the process

If the virement moves from an employee with more than one cost code combination the total budget for the employee will be vired proportionately to all cost code combination(s) on the target “to” employee.



This column shows the adjusted budget for the individual

This column shows the original budget

This column shows the virement entries processed

https://tm1.uas.ox.ac.uk/ - Payroll Planning | Work In Progress | E9 Oxford e-Research Centre - Internet Explorer provided by U

iPayroll Main Planning View | ADD New Employee.xlsx | New Cost Coding Combination.xlsx | VIRE Payroll.xlsx | iPayroll FTE | iPayroll Other Employee Details | Payroll Updates.xlsx | oPayroll Ledger Summ

Columns: Month Payroll [Month Payroll] | Context: Payroll Cost [Pay Cost Types] | Q1 Forecast [Version] | 2016-17 [Financial Years]

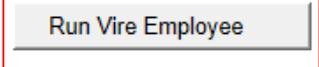
Employee ID Split	Total FY Budget	FY Budget	Vired FY Budget	Total YTD Budget	YTD Budget	Vired YTD Budget	YTD Actual	YTD Variance
Total of Employee ID Split	2,713,600	2,713,600	0	655,044	655,044	0	640,515	14,529
+ Recurrent	2,691,963	2,691,963	0	650,289	650,289	0	638,669	11,620
+ Non Recurrent	21,637	21,637	0	4,755	4,755	0	1,846	2,909
Existing Employees	2,380,981	2,380,981	0	592,704	592,704	0	640,515	-47,811
+ Recurrent	2,373,809	2,373,809	0	591,256	591,256	0	638,669	-47,413
+ Non Recurrent	7,172	7,172	0	1,448	1,448	0	1,846	-398
+ [Redacted]	22,295	29,726	-7,432	7,422	7,422	0	7,345	76
+ Recurrent	22,295	29,726	-7,432	7,422	7,422	0	7,345	76
+ Non Recurrent	0	0	0	0	0	0	0	0
+ [Redacted]	49,156	41,725	7,432	10,259	10,259	0	10,257	2
+ Recurrent	49,156	41,725	7,432	10,259	10,259	0	10,257	2
+ Non Recurrent	0	0	0	0	0	0	0	0

It is important that for the rolled up department the budget virements balance out and this total is zero

Efficiency Hint:



Each time you run the process, all the virements previously entered actually refresh, the practical consequence of this is that if you have more than one virement to do in the same department you do not need to run the process for each one individually. Enter each pair, save the entry  and

then press the  just the once.

Note also that the budget in the I and E will not be changed by this virement. Where the virement is merely from a “new” post in one cost centre to an existing employee who has now started this is immaterial because the change is within the same GL trial balance point. However if the virement covers several cost code combinations there is the possibility that the budget in the payroll planning application will return a difference answer to the budget column visible in the main payroll planning view. The original budget, which will agree with the I and E number is visible in the clicked out columns as a reference.

### Conditions to be met for a successful budget virement in payroll

#### Overview

- The budget virement functionality was designed to deal with the situation where a vacant post was budgeted for within a cost centre and then subsequently filled.
- Once the employee filling the post had started working at the University, the budget sat alongside the NewPerson post could be transferred to the existing person, thereby removing one simple type of budget variance within a cost centre.
- The GL budget for permanent pay will *not* change, which is why some of the constraints across departmental boundaries apply and why the planner should always check that the total budget virement for the department nets off to zero (look in the vired column at total employee level).
- Not all budget variances can be eliminated in this way.

Currently it is not possible to vire FTE. The functionality is not directed at the allocation of budgeted provisions.

#### Necessary conditions for budget virement

There are three conditions which must be met for the BFT budget virement process to complete successfully and achieve the outcome of a balanced virement.

- A. The virement must be within a department, both “from” and “to” employees must have the same department. This includes “ownership”.
- B. The budget value for the “from” employee must be present in the reference month and be positioned on a suitable like for like basis with the target “to” employee (not possible to part vire).
- C. The “to” employee must have an FTE in the reference month (shown on the virement page)

#### Consequences from the necessary conditions and the design of the virement process



- It is not possible to vire when the “to” employee is in the future (i.e. has no FTE in the last actual month which will be used as reference month, so no NewPerson or Provisions in the “to”).
- It is not possible to vire “to” an employee with no FTE in the reference month, even if they have received some kind of non salary payment (such as holiday pay), or even if they were employed earlier in the year, but have now left
- The process will not work when the “from” post is owned by another department, even if the budget intended for virement is in the same department as the “to”.
- The months to vire can be differentiated, but part virement in other ways (for example, one post vired across to three different new employees is not possible)
- The virements made in one forecasting exercise will be copied across into the next, but the process will re-execute for the new reference month, which could change the numbers. [for example if an employee originally 0.5FTE adds 0.25 in another cost centre the original virement will change from 100% into the original 0.5FTE and allocate the budget across proportionately across the two job elements.

The **reference month being used is a key parameter**. It is displayed in the virement screen once the “version” being used is selected

Where the 'Vire to' employee has more than one cost code, the transferred budget will be apportioned over the FTE's for those cost codes in the reference month. A forecast's reference month is set by the Model Administrator as below.

	Month	Year
Reference for FTE Sharing	Jan	2016-17

In addition, once the version is selected the FTE for the “to” appears below the “to employee box”. If this is zero the virement will not work (see condition “C”).

Department	ET
Financial Years	2016-17
Employee (from)	210033
Employee (to)	2366076
Vire to Employee FTE	0.44

Budget	Aug
Vired Months	1567.29
	1

Select Version: Q2 Forecast

Run Vire Employee

Also be aware that the virements made in one quarterly forecast will be copied across to the next but because the process will re-execute all virements one the planner runs the process again this could change the numbers between Q2 and Q3 if the reference FTE has changed (if a part time employee has added a new role to increase their FTE for example).