

Tips

from Business Affairs



TEXAS TECH UNIVERSITY
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It's All About the Timing

Ever wondered why the Available Balance for Staff Salaries is negative on the Monthly Budget Balances report when you know funds are available? The answer is – **it's all about the timing!**

Here is what happens:

- Estimated salaries are encumbered at the beginning of each fiscal year.
- For each pay period, payroll processes salary expenses to appropriate FOAPs.
- After the payroll processes complete, a “recasting” process runs to release encumbrances associated with the payroll expense.



So, this is where the timing issue comes into play:

- For semi-monthly payroll periods for the last half of each month, the payroll process and the recasting process run at the beginning of the following month (ex. Payroll and Recasting processes for pay period June 16th through June 30th run on July 8th)
 - **June** accounting period – Payroll entries for salary expenses are recorded to appropriately reflect when the hours were actually worked.
 - **July** accounting period – Encumbrances are released (Banner system does not allow for backdating of the recasting process).

Because of this timing issue, the Monthly Budget Balances report for the end of June reflects the expenditures related to the June 16th through 30th payroll period in both the expenditure column and the encumbrance column. This results in a negative balance for Staff Salaries on the Monthly Budget Balances report.

For questions, contact Finance Systems Management at fsm@ttuhsc.edu.

