Human Capital Management: Step-by-Step Guide

Working with Contracts

Faculty at the university are primarily paid using contract pay. Graduate students associated with teaching may also be paid on a contract. At the Boulder campus, all graduate students are paid on a contract. Contract pay is a calculation of pay that defines a contract pay type and its payment periods. Before the start of the academic year, faculty members elect the contract type indicating they are to be paid salary over 9 months or 12 months.

This guide describes the tasks listed below, which are also linked:

- Setting up a new contract on an active job record (Reappointment)

- Making a pay rate change on an existing contract

- Avoiding mistakes when making pay rate changes to contracts

- Reviewing contract payment details and verifying changes

Note: This guide provides campus-specific information, where appropriate.

Other guides with contract-related information:

- If you are hiring a new employee on a contract, or rehiring a contract employee on a terminated record, refer to *Hiring an Employee Step-by-Step Guide*.

- If you are transferring an employee to a position while maintaining current contract parameters or with a new contract, refer to *Transferring an Employee Step-by-Step Guide*.

Before You Begin

Information you will need:

- Empl ID.

- Effective Date, Contract Begin Date, Contract End Date, Payment Begin Date, Payment End Date.
  To find dates that are correct for your campus, run the Contract Crosswalk/Setup query:
    1. From the HCM Community Users dashboard, click the **HCM WorkCenter** tile.
    2. Click the **Resources** tab.
    3. Scroll down and select **Click here for ALL**.
    4. Select **Contract Crosswalk/Setup** (CUES_HCM_CONTRACT_CRSWLK).
    5. From the **Business Unit** look up, select your campus.
    6. From the **Employee Group** dropdown, select either **Faculty** or **Student**.
    7. Click **View Results**.

- Contract Pay Type: What is the academic selection of the employee? Is the contract to be paid over 9 months (AY 9 pay 9) or over 12 months (AY 9 pay 12). For lecturers, is it Fall/Spring or Other Pd Contract (used for non-semester time frames). If a graduate student, will it be fall, spring, or Other Pd Contract to pay over 9 months (students should never be set up on the AY 9 pay 9 contract).

- Pay Group: All professional employees paid on a contract must be in the MON paygroup. All students paid on a contract must be in the STM paygroup.

- If you are making a reappointment with a funding change, you will need to know the SpeedType (Combination Code) of the fund supporting this position.

- **Boulder Campus:** If this is a reappointment with funding change, or if you are making a pay rate change for a graduate student, you should contact the HR Service Center at hrsc@colorado.edu.)

Navigation tips:

▼ HCM Community Users

Procedures in this guide begin from the HCM Community Users dashboard:

1. From the portal, click the HCM tile. The Employee Self Service dashboard appears.

2. Click **Employee Self Service**.

3. Click **HCM Community Users** to display the dashboard.

The NavBar displays options for accessing other systems. Through the NavBar, you can select CU Resources to access systems on the portal.

Related Actions indicator. **Right-click** to view information related to the page and data you are working with. You may also see a Related Content link at the top of some pages.

The magnifying glass is called a look up and displays search results for you to select valid field values.

The book and checkmark lets you spell check text boxes.

The down arrow lets you hide, or collapse, sections you do not want to view.

Click the ▶ arrow to expand the section.

Setting Up a New Contract on an Active Job Record (Reappointment)

Making a reappointment is a pay rate change to an existing employee while creating a new contract for the employee. If you are wanting to make a pay rate change to an existing contract of an active employee, see *Making a Pay Rate Change on an Existing Contract* on page 8.

In some cases, you may want to rehire a contract employee who was terminated. You should run the Job List query (CUES_HCM_JOB_LIST) to see whether there is a terminated job record. If there is a terminated job record, you can use that record to rehire the employee. However, if the contract end date and payment end date occur after the new contract begin and payment begin dates, you will need to create a new job record and contract parameters, otherwise the system will error and the new contract will not load into the system.

To run the Job List query:

1. From the HCM Community Users dashboard, click the **HCM WorkCenter** tile.
2. Click the **Resources** tab.
3. Scroll down and select **Click here for ALL**.
4. Select **Job List**.
5. Type search criteria and click **View Results**.

Beginning the Transaction

1. From the HCM Community Users dashboard, click the **Pay Actions** tile.

2. Under ePAR Pay Rate Change, select **Add** or **Expert Add**. Selecting Add lets you use the standard method of data entry through a group of connected pages, while Expert Add lets you create a transaction from fewer consolidated entry pages.

Step 1: Employee Selection

1. Enter the employee's search criteria, and click **Search**.

2. Select the checkbox next to the employee record, and click **Next**.

Notes:

- Multiple rows may exist for the same Job Record. Make sure you are selecting the most current row.

- If the employee was terminated and had a contract with future end dates, you should rehire the employee as described in *Hiring an Employee Step-by-Step Guide*.

Step 2: Action/Reason

▼ Action/Reason Selection			
*Action:	Pay Rate Change	*Reason:	Base Pay - Increase in Pay
Old Effective Date:	12/01/2015	Old Effective Sequence:	0
*Effective Date:	01/15/2016	Effective Sequence:	0 Fiscal Year: 2016

1. In the **Effective Date** field, enter or select the effective date.

   Note: If you are entering a transaction with an effective date that is past a future-dated rehire transaction, then enter the effective date before selecting the Action and Reason, otherwise the system generates an error. It is a good practice to always enter the effective date first.

2. From the **Action** list, select **Pay Rate Change**.

3. From the **Reason** list, select **Reappointment**.

4. Click **Next**.

Step 3: Job Information

When using the Reappointment reason code, you will see the following Job Information fields opened for update:

- Regular/Temporary
- Full/Part Time
- Percent of Time
- Classified Indicator
- Pay Group should default to **MON**. (Grad Students should be updated to STM.)

1. Complete any changes to job information in the **New Value** column.

2. Click **Next**.

Step 4: Compensation

In this step, you enter the contract amount.

1. From **Comp Freq**, select **C** for Contract (should be the default).

2. From the **Rate Code**, select **BASEC**. If you change this value, it will not cause a transaction error, but will cause a payroll error.

3. In the **Comp Rate** field, update the amount of the contract.

Step 5: Contract Parameters

From the ePAR Contract page, you will select the contract parameters from the Contract Information section, shown below:

To select contract parameters:

1. In the **Contract Eff Date** box, enter the date on which contract payment begins.

    Note: The Contract Eff Date **must** equal the Payment Begin Date. To ensure you choose correct dates for your contracts, run the Contract Setup query as described in *Before You Begin* on page 1.

2. From the **Contract Pay Type**, select the type and press **Tab**. The Payment Term field will populate automatically.
   Boulder Campus: Select **Other Pd/X Months** as the Contract Pay Type for graduate students.

3. Notice that HCM provides the following defaults:

    - **Monthly Frequency** displays a default of **M** (MON Sal).

    - **Calculation Method** displays a default of **Actual**.

    - **Daily Hours** field displays a default of **8.00**.

4. Enter the **Contract Begin Date** and the **Contract End Date**. These dates define the actual start and stop dates of the employee's appointment.

5. Enter the **Payment Begin Date** and the **Payment End Date**. These dates define the start and stop dates of when the employee is paid. For example, faculty report to work in mid-August for the start of the Fall/AY appointment, but payment can start September 1.

- The system allows Payment Begin Date and Payment End Date to be different from Contract Begin Date and Contract End Date.

- The system provides a default to the Payment Begin Date based on the Contract Eff Date. The system also provides a default Payment End Date that is 12 months from the Contract Begin Date if the Payment Term is Pay over *X* months. This **must** be changed for accuracy based on the type of contract

- The Payment Begin Date must be equal to or after the Contract Begin Date. If it is before the Contract (employment) Begin Date, the system will prorate the contract value minus the days between payment and employment. This is also true for the end dates; the Payment End Date must be equal to or after the Contract End Date to prevent any proration of the contract.

- The system will provide an Actual Start Date that matches the Contract Begin Date. The system provides a Termination date that matches the Contract End Date.

6. Select the appropriate **School Schedule**. (Does not apply to Denver or AMC campuses, see note below.)

   Important: The School Schedule is used **only** when creating 9 Pay 9, 9 Pay 12, and 10 Pay 10 contracts. For all other contract types and Summer appointments it **must** remain blank.

Boulder Campus: If you are tracking contracts in a worksheet, you may want to update it because you can only work with one contract at a time.

Denver Campus: Do not put in a school schedule.

Step 6: Department Budget

The Department Budget information is view only on this transaction. If you want to update the funding, refer to *Making a Funding Entry Step-by-Step Guide* for more information.

Step 7: Saving and Submitting

1. Click **Save**.

2. Click **OK**.

3. Click **Submit**.

Making a Pay Rate Change on an Existing Contract

This section describes changing the compensation for an active employee who is paid on an existing contract, without the need to change the contract parameters (begin and end dates).

Beginning the Transaction

1. From the HCM Community Users dashboard, select the **Pay Actions** tile.

2. Under ePAR Pay Rate Change, select **Add** or **Expert Add**.

Step 1: Employee Selection

1. Enter the employee's search criteria, and click **Search**.

2. Select the checkbox next to the employee record, and click **Next**.

Note: Multiple rows may exist for the same Job Record. Make sure you are selecting the most current row.

Step 2: Action/Reason

1. In the **Effective Date** field, enter or select the effective date.

    Note: If you are entering a transaction with an effective date that is past a future-dated rehire transaction, then enter the effective date before selecting the Action and Reason, otherwise the system generates an error. It is a good practice to always enter the effective date first.

    Warning: Never back-date the effective date; it will not update the employee's pay correctly. Once monthly payroll has started, any pay rate change for a contract must be effective dated for the first day of the following month.

2. From the **Action** list, select **Pay Rate Change**.

3. From the **Reason** list, select the appropriate reason for the change to this contract.

    Warning: Do not select Reappointment as the reason. Reappointment is for creating a new contract, not for modifying an existing contract.

4. Click **Next**.

Step 3: Job Information

1. Review the fields in the **New Value** column under the Job Information section to confirm they are correct and click **Next**.

    Warning: If position data is not correct, do not make any changes using this ePAR form. Changes to position data must be made directly in position. When you update position, ensure that the Update Incumbents checkbox is selected. This will create a row with the updated position data in the employee's job data record. If the Update Incumbents checkbox is not selected, it will break the connection between position and job data. Refer to *Updating a Position Step-by-Step Guide* for more information.

Step 4: Compensation

1. Notice the default **Comp Freq** value of **C** for Contract. Do not change this value.

2. Notice the default **Rate Code** value is **BASEC**.

3. In the **Comp Rate** field, update the amount of the contract. Enter the total of the new contract value. You do not need to do any calculations at this point. The system will automatically take into account what has already been paid and will adjust the new monthly rate accordingly.

4. Click **Next**.

Step 5: Contract Change

From the Contract Change page, you will see the following values available for update:

- No Proration of Change Amt. (Appears selected)
- Prorate Over Contract Period
- Prorate Using Effective Date
- Lump Sum Retro Payment

1. Always maintain the No Proration of Change Amt option, the system will calculate subsequent payments correctly. Do not choose any other option.

2. Click **Next**.

Step 6: Department Budget

The Department Budget information is view only for this transaction. If you want to update the funding, refer to *Making a Funding Entry Step-by-Step Guide* for more information. Save and submit your change request as described on Step 7 on page 7.

Avoiding Mistakes when Making Pay Rate Changes to Contracts

To avoid common mistakes, follow these guidelines:

- Never use the Reappointment reason code when making a pay rate change to a current contract. Reappointment is for creating a new contract, not modifying an existing contract.

- Never back-date the effective date; it will not update the employee's pay correctly. Once monthly payroll starts processing, any pay rate change for a contract must be effective dated for the first day of the **following** month.

- Always use the No Proration of Change Amt option. This ensures that subsequent payments are calculated correctly.

- Always enter the total amount of the new contract value. Do not worry about calculating payments. The system will take into account what has already been paid, and will adjust the new monthly rate accordingly.

The following section describes how you can check that your pay rate change was done correctly.

Verify, using Payroll for North America, the last confirmed payroll; the Pay Rate change must be dated on the first day of the next pay period.

Reviewing Contract Payment Details

You should review the contract details and make sure the contract information is correct after the job runs (usually overnight). To check whether a pay rate change was successful, look at future projected payments on the Contract Payment Details page.

Navigation: **NavBar**> **Navigator**> **Payroll for North America**> **Employee Pay Data USA**> **Contract Payment Details**.

Contract ID	0000001	Status	Active		Recalculate Contract	No					

Contract Payment Sequence   Find | View All   First ① 1 of 1 ⑪ Last

Contract Sequence 0   Effective 01/04/2016

Contract Information

Company	CU University of Colorado
Pay Group	MON Faculty - Contracts
Contract Begin Date	01/04/2016	Contract End Date	05/31/2016
Payment Begin Date	01/04/2016	Payment End Date	05/31/2016
Contract Worth	9000.00

Contract Calendar

Holiday Schedule   School Schedule   Work Schedule

▼ **Pay Rates**

| Annual Rate | 9,000.000 | Daily Rate | 84.112 |
| Monthly Rate | 750.000 | Hourly Rate | 10.514000 |

▶ **Payment Summary**

Projected Payments and Actual Earnings   Personalize | Find | View 3 | 🗗 | 🖩   First ① 1-5 of 5 ⑪ Last

Projected Earnings | Actual Earnings | 📖

	Status	Pay Period End Date	Off Cycle	Separate Check	Work Days	Contract Regular	Paid Not Earned	Earned Not Paid	Total Paid	Worked	Leave of Absence		
1	Payroll Confirmed	02/29/2016	N	0	21	2250.00	0.00	0.00	2250.00	1766.35			
2	Adjustment	02/29/2016	Y	99	0	0.00	0.00	0.00	0.00	1682.26			
3	Active	03/31/2016 🔍	N	0	23	2250.00	0.00	0.00	2250.00	1934.58		➕	➖
4	Active	04/30/2016 🔍	N	0	21	2250.00	0.00	0.00	2250.00	1766.35		➕	➖
5	Active	05/31/2016 🔍	N	0	22	2250.00	0.00	0.00	2250.00	1850.46		➕	➖

What to Look For:

- At the top of the page, notice the Contract ID number, the contract status (Active), and whether the contract is waiting to be recalculated. When a change is made to a contract amount or parameters, **Recalculate Contract** displays **Yes**.

- If a contract has had a change, the row under **Contract Payment Sequence** displays a new sequence number and the effective date of the change.

- The **Contract Information** section displays the type of contract, parameters of the contract and the contract worth.

- The **Projected Earnings** tab displays the currently projected pay for the employee throughout the length of the contract.

- The **Actual Earnings** tab displays all the contract amounts confirmed in a payroll, including all off-cycle payments.

Looking at Accounting of Earnings Not Paid (ENP)

ENP is a function for accounting. Because departments can now determine the actual dates of employment, versus the dates when payments begin and end, the ENP amount is now created.

In the contract below, notice that the Contract Begin Date and Contract End Date reflect mid-month days, yet the payment dates are the Sept through May payroll dates:

Contract Information

Company	CU	University of Colorado
Pay Group	MON	Faculty - Contracts

Contract Begin Date	08/21/2017	Contract End Date 05/11/2018
Payment Begin Date	09/01/2017	Payment End Date 05/31/2018
Contract Worth	102703.60	

This creates days the system sees as earned (08/21/17 – 08/31/17) but have yet to be paid, because the employee won't receive an August paycheck.

To check whether the employee is getting paid correctly, divide the contract amount by 9. For this example, in September, the contract amount was for $100,926. If you divide that by 9, that is $11,214. That is what the employee made in September. On the system it looks like this:

| | Projected Earnings | Actual Earnings | | | | | | | |

Status	Pay Period End Date	Off Cycle	Separate Check	Work Days	Contract Regular	Paid Not Earned	Earned Not Paid	Total Paid
1 Payroll Confirmed	09/30/2017	N	0	21	12027.46	0.00	-813.46	11214.00

What the employee is paid appears in the Total Paid column. It is also reflected on the pay stub:

```
------------------
   Earnings
  12,027.46
    -813.46
   1,766.21
       0.00
       0.00




  12,980.21
```

In this example, the $1,766.21 is from another position.

There was a pay rate change in October, making the total contract $102,703.60. Checking the calculations based on **the gross amount to be paid to the employee,** the math is as follows:

$102,703.60 - $11,214 (what was received in September) = $91,462.60.

That is what remained to be paid as of October.

So $91,489.60 / 8 (months left in contract) = $11,436.20.

To receive the full contract of $102,703.60, the employee should receive $11,436.20 per month.

That is what is slated to happen, and what happened in October. In the Contract Payment Details page below, notice the amounts in the **Total Paid** column:

Projected Payments and Actual Earnings Personalize | Find | View 3

Projected Earnings | Actual Earnings

Status	Pay Period End Date	Off Cycle	Separate Check	Work Days	Contract Regular	Paid Not Earned	Earned Not Paid	Total Paid
1 Payroll Confirmed	10/31/2017	N	0	22	12267.94	0.00	-831.74	11436.20
2 Adjustment	10/31/2017	Y	99	0	0.00	0.00	0.00	0.00
3 Active	11/30/2017	N	0	22	12267.95	0.00	-831.75	11436.20
4 Active	12/31/2017	N	0	16	12267.95	0.00	-831.75	11436.20
5 Active	01/31/2018	N	0	18	12267.95	0.00	-831.75	11436.20
6 Active	02/28/2018	N	0	20	12267.95	0.00	-831.75	11436.20
7 Active	03/31/2018	N	0	22	12267.95	0.00	-831.75	11436.20
8 Active	04/30/2018	N	0	21	12267.95	0.00	-831.75	11436.20
9 Active	05/31/2018	N	0	9	4800.50	0.00	6635.70	11436.20

For the accounting purpose, look at the last line, which is the projected pay for May 2018. Notice the amount in the Contract Regular column is less than the others. If you add up all the amounts in the Contract Regular column (including September), the sum equals $102,703.60. Also notice the positive $6,635.70 amount in the Earned Not Paid column. If you add up all the negative amounts that are coming out of pay from September through April, it will add up to $6,635.70. The employee will continue to receive 1/9th of the contract total every month of the contract.

ENP for 9 pay 9 contracts were never seen before prior to this year because all contracts had a contract (job) start date of 09/01/20xx that matched the payment start date of 09/01/20xx. But these dates weren't consistent with when employment started, so beginning this year it is being recorded correctly, while generating this type of accounting. In other words, the system has to generate an ENP payment to ensure that all payments are the same (carry a balance forward for last payment that is consistent with the others).

Verifying a Pay Rate Change is Done Correctly

Because the effective date of a contract pay rate change is so important, below are examples of when it is done correctly, and when it is not with the effective date back-dated.

Correctly Entered Pay Rate Change—Dated for First Day of Next Paying Month

One way to check that the pay rate change was successful, is to see a change in payment for the next paying month. A pay rate change will create a new row, so to see the original payments you first need to navigate to the original row on the Contract Payment Details page. The navigation is at the top/right corner:

Contract ID 0000011	Status Active	Recalculate Contract No	
Contract Payment Sequence			Find | View All First ◀ 2 of 2 ▶ Last
Contract Sequence 0		Effective 09/01/2017	

The effective date, displayed in the middle, shows this was the contract as of 09/01/17. The payments done are at the bottom of the Actual Earnings tab:

Projected Earnings | Actual Earnings

	Status	Pay Period End Date	Off Cycle	Separate Check	Work Days	Contract Regular	Paid Not Earned	Earned Not Paid	Total Paid
1	Payroll Confirmed	09/30/2017	N	0	21	10133.34	0.00	-3047.34	7086.00
2	Adjustment	09/30/2017	Y	99	0	0.00	0.00	0.00	0.00
3	Payroll Confirmed	10/31/2017	N	0	22	10133.34	0.00	-3047.34	7086.00

A quick glance at the new Contract Details page shows that the employee will get a monthly increase based on the contract increase:

Projected Payments and Actual Earnings   Personalize | Find | View 3

Projected Earnings | Actual Earnings

	Status	*Pay Period End Date	Off Cycle	Separate Check	Work Days	Contract Regular	Paid Not Earned	Earned Not Paid	Total Paid
1	Active	11/30/2017	N	0	22	11692.96	0.00	-3610.17	8082.79
2	Adjustment	11/30/2017	Y	99	0	0.00	0.00	0.00	0.00
3	Active	12/31/2017	N	0	16	11692.97	0.00	-3610.17	8082.80
4	Active	01/31/2018	N	0	18	11692.97	0.00	-3610.17	8082.80
5	Active	02/28/2018	N	0	20	11692.97	0.00	-3610.17	8082.80
6	Active	03/31/2018	N	0	22	11692.97	0.00	-3610.17	8082.80
7	Active	04/30/2018	N	0	21	11692.97	0.00	-3610.17	8082.80
8	Active	05/31/2018	N	0	9	4575.51	0.00	3507.30	8082.81
9	Active	06/30/2018	N	0	0	0.00	0.00	8082.80	8082.80
10	Active	07/31/2018	N	0	0	0.00	0.00	8082.80	8082.80
11	Active	08/31/2018	N	0	0	0.00	0.00	8082.80	8082.80

The math to check the accuracy, using the Total Paid column figures, is as follows:

$95,000 (new contract amount) - $14,172 (Sept and Oct payments) = $80,828.

Divide the remaining contract left to be paid with the remaining months left to pay.

In this case, the contract is to pay over 12 months, so the remaining months is 10: $80,828 / 10 = $8,082.80. That is the amount seen in the new Total Paid column, so the pay rate change is accurate.

Incorrectly Entered Pay Rate Change—Back Dated

In this example, a pay rate change is done incorrectly because it is back-dated to the start of contract. Despite the fact that the contract value will update to reflect the new contract amount, the projected pay will remain the same.

Example of original contract value and monthly payments:

Contract ID 0000007	Status Active	Recalculate Contract No

Contract Payment Sequence

Contract Sequence 0   Effective 09/01/2017

Contract Information

Company CU   University of Colorado
Pay Group MON   Faculty - Contracts
Contract Begin Date 08/21/2017   Contract End Date 05/11/2018
Payment Begin Date 09/01/2017   Payment End Date 08/31/2018
Contract Worth 77120.00

Contract Calendar

Holiday Schedule   School Schedule UCB   UCB AY   Work Schedule

▶ **Pay Rates**

▶ **Payment Summary**

Projected Payments and Actual Earnings   Personalize | Find | View All |

Projected Earnings   Actual Earnings

	Status	Pay Period End Date	Off Cycle	Separate Check	Work Days	Contract Regular	Paid Not Earned	Earned Not Paid	Total Paid
1	Payroll Confirmed	09/30/2017	N	0	21	9190.46	0.00	-2763.81	6426.65
2	Adjustment	09/30/2017	Y	99	0	0.00	0.00	0.00	0.00
3	Payroll Confirmed	10/31/2017	N	0	22	9190.46	0.00	-2763.80	6426.66

New row with new contract worth and projected payments:

Contract ID 0000007	Status Active		Recalculate Contract No	

Contract Payment Sequence

Contract Sequence 1   Effective 09/01/2017

Contract Information

Company CU   University of Colorado

Pay Group MON   Faculty - Contracts

Contract Begin Date 08/21/2017   Contract End Date 05/11/2018

Payment Begin Date 09/01/2017   Payment End Date 08/31/2018

Contract Worth 90000.00

Contract Calendar

Holiday Schedule   School Schedule UCB   UCB AY   Work Schedule

▶ **Pay Rates**

▶ **Payment Summary**

Projected Payments and Actual Earnings   Personalize | Find | View All |

Projected Earnings   Actual Earnings

	Status	*Pay Period End Date	Off Cycle	Separate Check	Work Days	Contract Regular	Paid Not Earned	Earned Not Paid	Total Paid
1	Active	11/30/2017 🔍 N		0	22	9190.46	0.00	-2763.80	6426.66
2	Active	12/31/2017 🔍 N		0	16	9190.47	0.00	-2763.80	6426.67
3	Active	01/31/2018 🔍 N		0	18	9190.47	0.00	-2763.80	6426.67

Notice that although the contract value was updated to the new rate, the projected payments still reflect the amount of the old contract. This happens when the contract pay rate change is back-dated.