It is the time of year for faculty and student faculty contract renewals and new contract entries. Some faculty with nine-month contracts for the academic year may choose to have their payroll spread over twelve months. How does this affect the fiscal year and posting pay to the general ledger?

**How contract payments are extended**

For each nine-month contract, the entire amount of one-ninth of the contract is posted to the department funding source(s) each monthly pay period. If the employee chooses to be paid over twelve months, a portion of the one-ninth amount is subtracted and credits to a campus ENP (earnings not paid) SpeedType as a liability.

Then, at the end of the contracted nine-month period, the remaining earnings are paid out from the ENP SpeedType. This way, the full contract amount is charged to the responsible department within the fiscal year in which it occurred, but the employee can receive their contracted funds over the summer and across the fiscal year into the new fiscal year.

Use the Contract Payment Details page or query to review how the contract pay posted across the months.

**What about the taxes and deductions?**

When the ENP pays out during the summer months, there are taxes and retirement costs (401(A) or PERA contributions) associated with the ENP. These expenses already posted to the department in the original nine-month period by creating an accrual – posted as deduction code ACCRUL – for the anticipated tax and retirement cost.

As the ENP pays out over the summer, the tax and retirement expenses on the department SpeedType(s) are redistributed to the accrual SpeedTypes through a batch payroll expense transfer (PET) created by the System HRGL team.
Benefits expenses for regular nine-month faculty over the summer months follow the position funding distribution.

**Need extra help?**

You can find further details on contract payments, funding changes and payroll expense transfers on the HCM website.

As always, you can email hcm-community@cu.edu or System.HRGL.Team@cu.edu for additional help.

HRGL, Contracts, FIN, earnings not paid, payroll

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