School of Education: Costing Allocation Aid

**This job aid was created by the SoE Office of Budget & Finance and is customized for SoE Departments & Projects.*

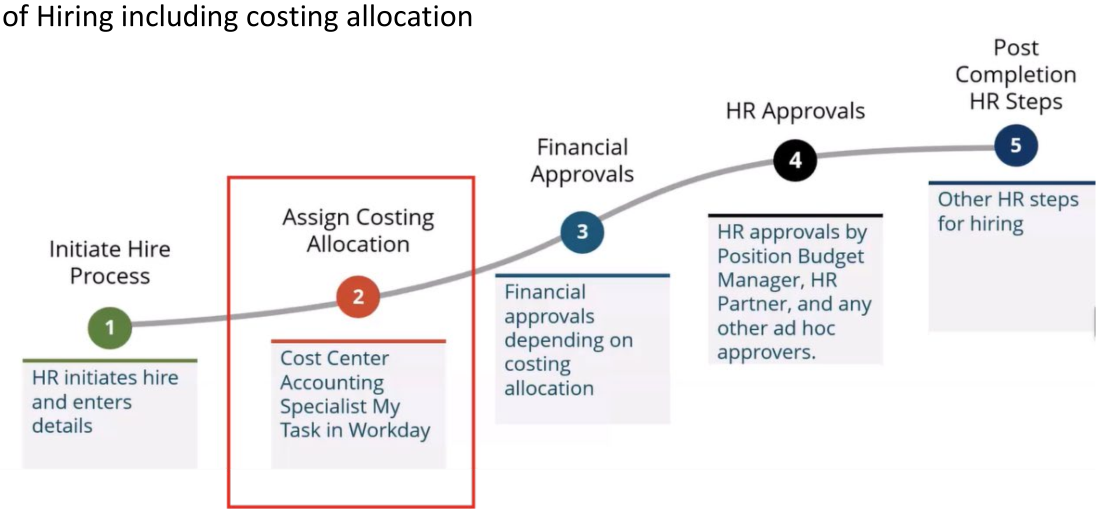
Outline:

- Definition
  - **Worker Position Costing Allocation:** The funding assigned to a specific worker/employee. This is how payroll is funded for a filled position. There can be multiple funding strings totaling 100% if the funding is split. The Worker Position funding is assigned during the Hire transaction and is the main funding source for that worker.
  - **Position Restrictions Costing Allocation:** The funding assigned when creating a position. Represents the backup payroll funding method if the Worker Position Costing Allocation were to fail. When we assign Position Restriction funding, we are assigning funding to attach to that position specifically and that funding will remain on the position as it goes unfilled and re-filled with a new worker.
  - **Worker Position Earning:** The funding for a specific earnings type: Examples include Federal Work Study (FWS), Temporary Work Assignment Supplement, etc. See a complete list of Workday Earnings Code: Workday Earnings Codes

- Helpful Links:
  - Assign Costing Allocation KB
  - SMPH
  - One Time Payment Vs Period Activity Pay

Recommended Practice

- Process of Hiring including costing allocation



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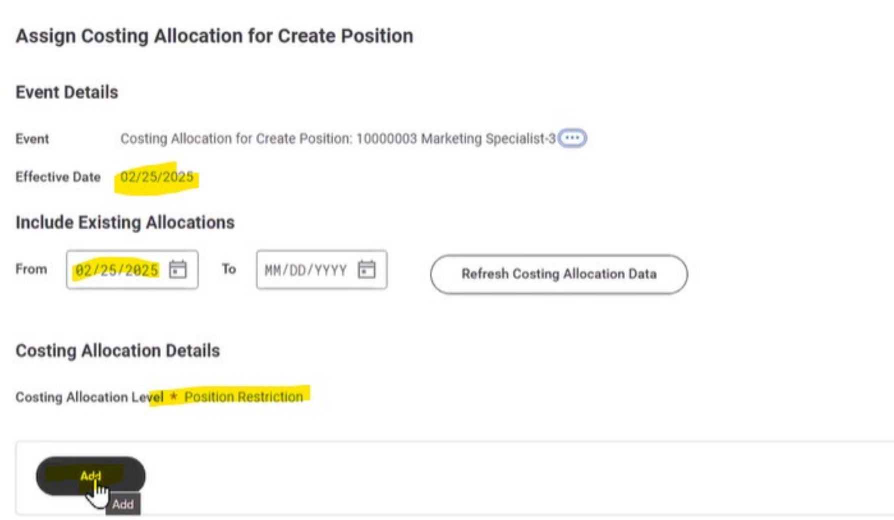
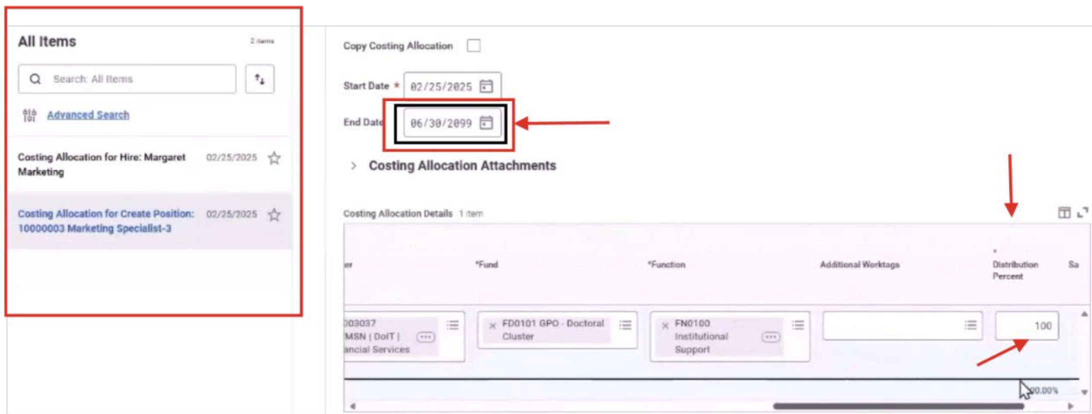
- List of different scenarios
  - **New Position – Position Restrictions Costing Allocation**

- Definition: the funding assigned when creating a position. Represents the backup payroll funding if the Worker Position Costing Allocation were to fail.
- KB and Training video
- The task will appear in your WD homepage under "Awaiting Your Action" and will be titled "Costing Allocation for Create Position: Position Title"

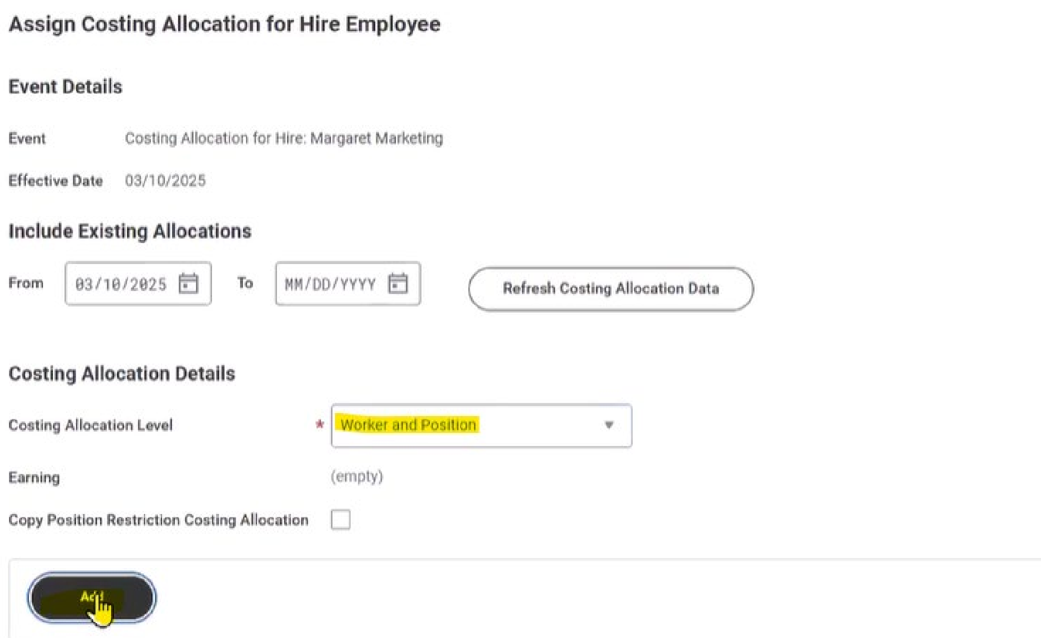
- On the first screen (see below), the From date should be the beginning of the job. You don't need to put an end date here
- Make sure to click "Add", this is where you will add funding



        - On the second screen (see below), the start date should be the beginning of the job. **End date should be 6/30/2099**
        - Note: Position Restrictions do not apply to student workers (SH positions)
        - Add the funding in the Costing Allocation Details (costing company is UW-Madison; driver worktag will be a program, grant, project or gift; you can split the funding % between more than one fund if needed)
        - Distributions can be carried out to 4 decimal places. For example, 16.6777%



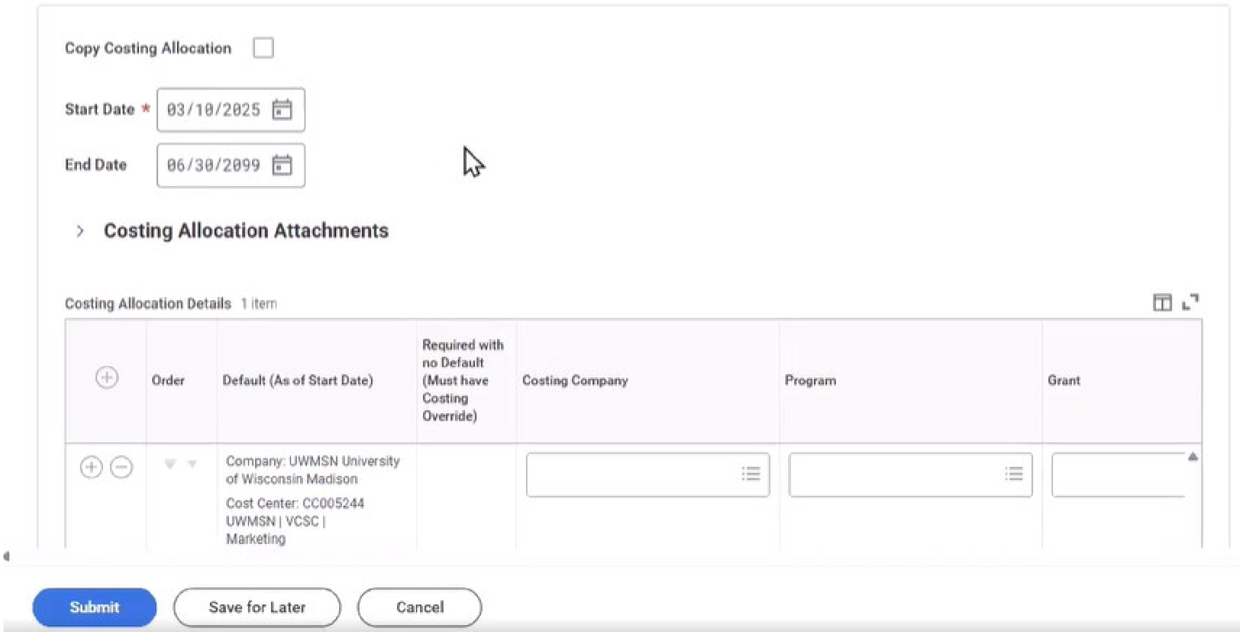
    - **Hire – Worker Position Costing Allocation**
        - Definition: The funding assigned to a specific worker. Represents how the payroll is actively funded for a filled position.
        - **Regular Hire (setting up the new employee's payroll funding)**
            - [KB]() and [Training video]()
            - The task will appear in your WD homepage under "Awaiting Your Action" and will be titled "Costing Allocation for Hire: Employee Name"
            - On the first screen (see below), the From date should be the beginning of the job. You don't need to put an end date here
            - The Costing Allocation Level should be Worker and Position
            - Make sure to click Add, this is where you will add funding



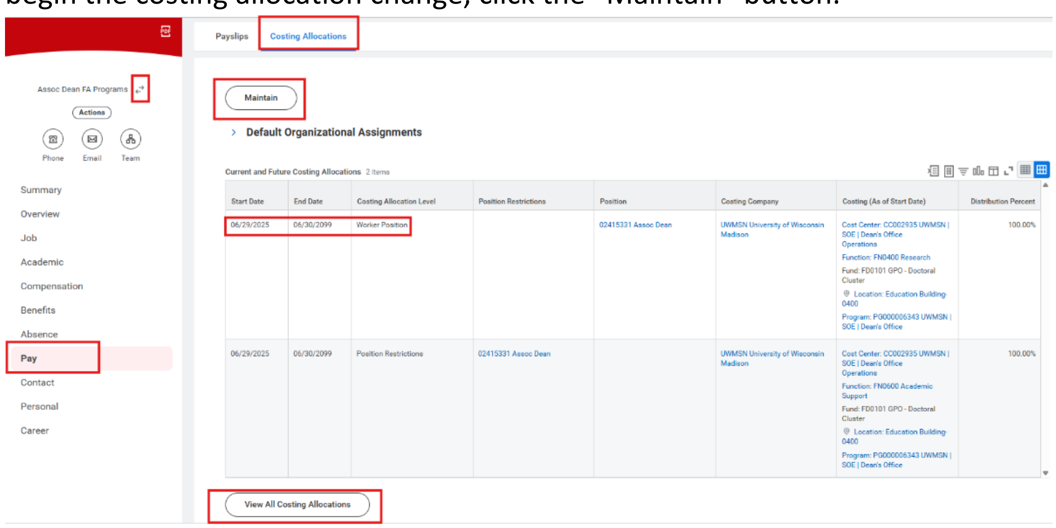
- On the second screen (see below), the Start Date should be the beginning of the job
- End Date should be 6/30/2099*

* For SH/GA/Fellow appointments, use the end date of the appointment (e.g. 5/17/2026). If the employee is funded on a grant or a funding source that has an end date, use that end date

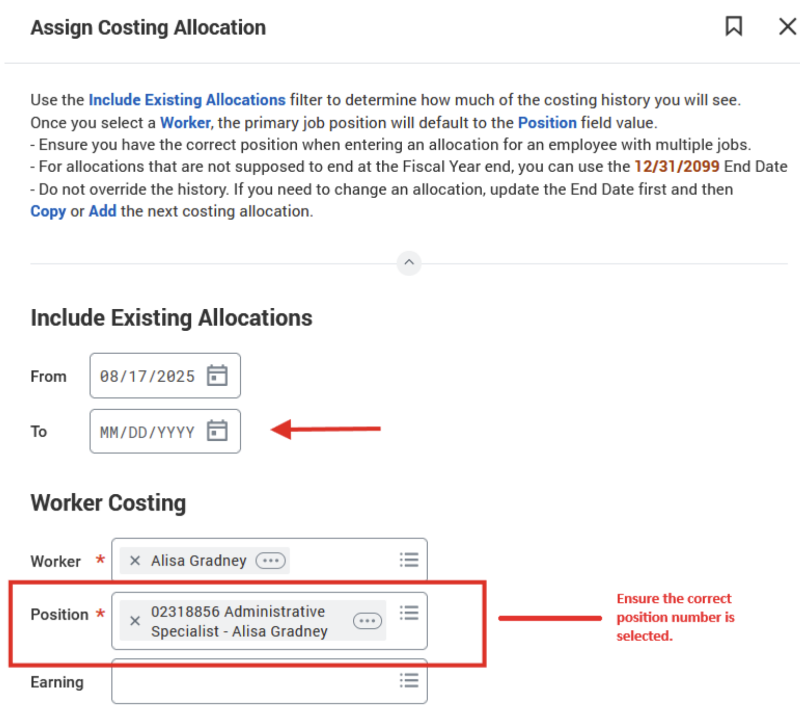
- Add the funding in the Costing Allocation Details (costing company is UW-Madison; driver worktag will be a program, grant, project or gift; you can split the funding percent between more than one fund if needed)



- **Updating/Changing an employee's existing payroll funding**
    - KB and Training video
    - From the WD homepage, go to the search bar and type "assign costing allocation". Please note you can also go to the employee's profile (make sure you are looking at the correct position since some employees have more than one). Select Pay, then the Costing Allocations tab. Here you will also be able to see the original Worker Position costing allocation dates. To see the history of all previous allocations, select "View All Costing Allocations" at the bottom of the screen. When you are ready to begin the costing allocation change, click the "Maintain" button.

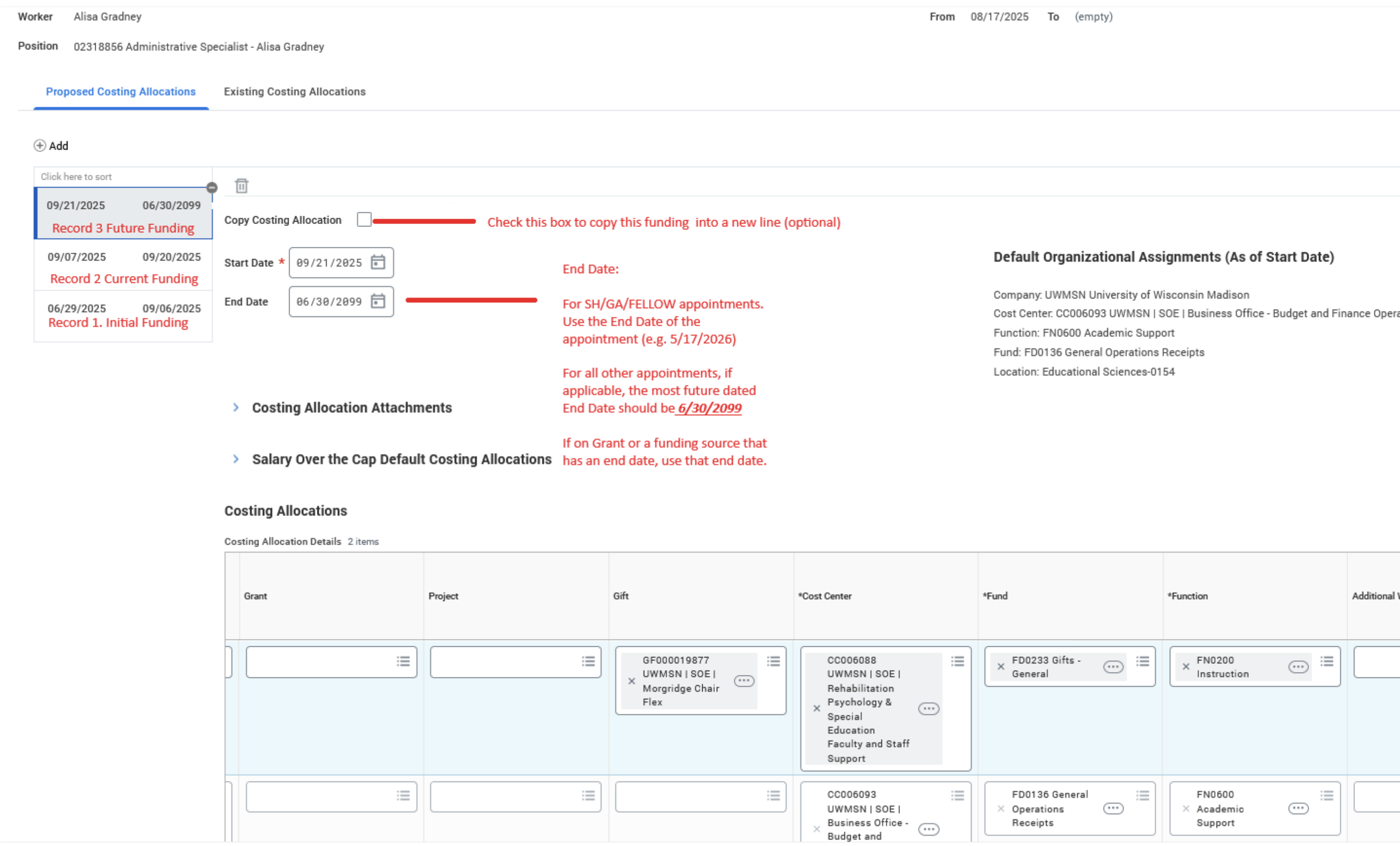


- On the first screen (see below), don't worry about the dates. Make sure the name of the employee and the correct position number are selected. Leave the Earning blank. Then click OK.



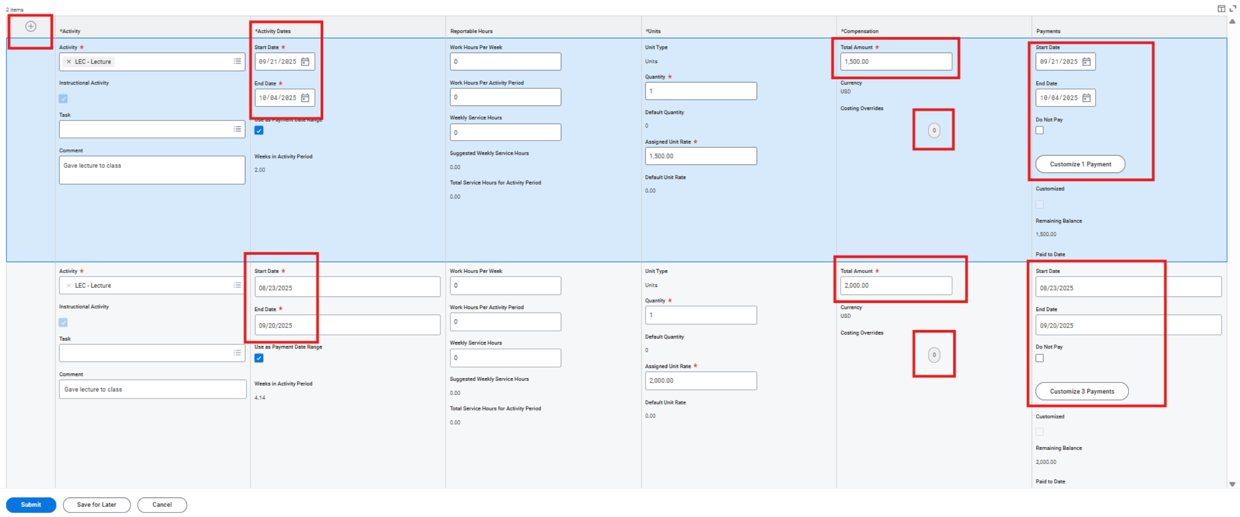
- On the second screen (see below), the **current** Worker Position Costing Allocation will auto-populate in the Proposed Costing Allocations tab. Think of this as your "record 1." This is the same information you will see in the "Existing Costing Allocations" tab. In order to avoid overriding the Costing Allocation history, the only thing we will do to record 1 is put a new end date (DO NOT make any changes to the funding under the Costing Allocation Details, we want to keep the current/original funding as is).
- In our example below, Bucky Badger is **currently** on funding X with the dates of 6/29/25 to 6/30/2099. Starting on 9/7/25, he needs to move to funding Y which is a grant that ends on 9/20/25.
- End the **current** costing allocation X by changing the End Date to 9/6/25 ("record 1"). Do not update the funding itself.

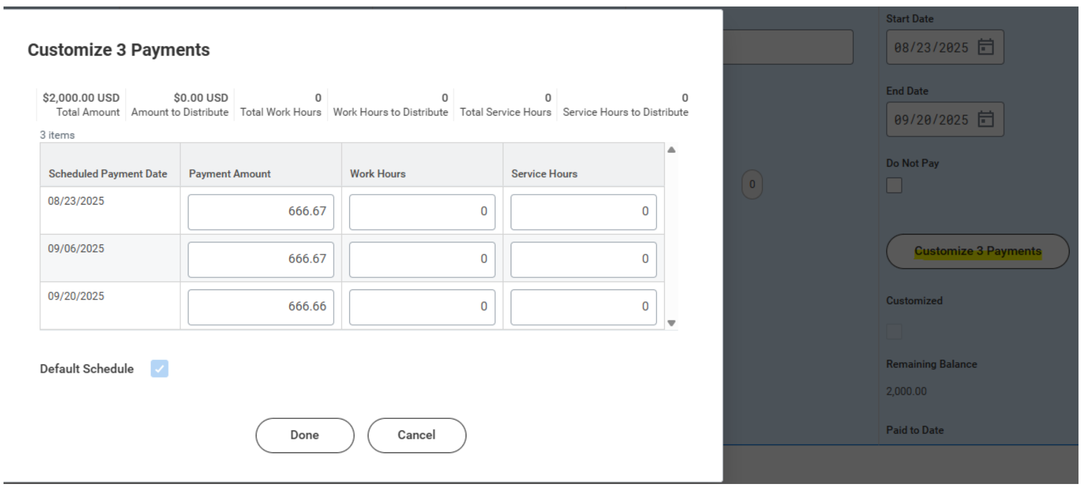
- Click on the “Copy Costing Allocation” or use the “Add” button to create a new line for the grant funding Y (“record 2”). Change the Start and End Dates to 9/7/25 - 9/20/25 and down below in the Costing Allocation Details, add the grant driver worktag.
- Since grant Y is ending on 9/20/25 and Bucky is going to work at UW-Madison until the end of time, we will create a third line (“record 3”) for the dates of 9/21/25 to 6/30/2099. In the Costing Allocation Details, change the funding to whatever will be used to cover Bucky’s payroll once the grant is over.

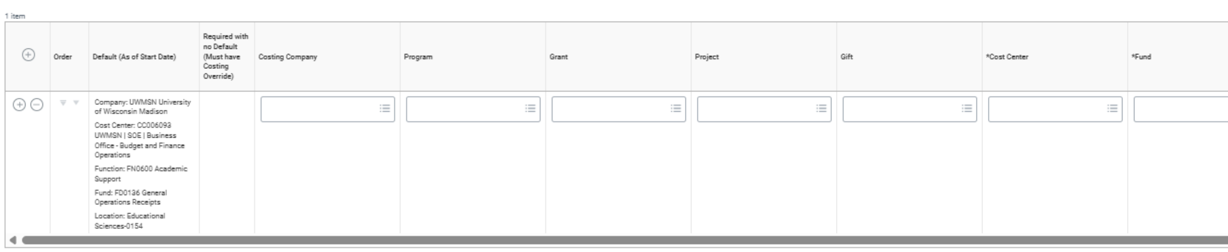


PAP and OTPs: Department Administrators (DAs) can enter these types of payments in WD for graduate students, NRA scholars and undergraduate students (SH). For faculty and staff payments, please use the HR Asana form.
Relocation stipend: if it's been preapproved in an offer letter, DAs can enter the OTP in WD.
SoE awards: submit a list of awardees to be paid to the HR mailbox hr@education.wisc.edu to process.
Non-SoE awards: campus named professorships are TWAs and need to be processed through HR Asana form.

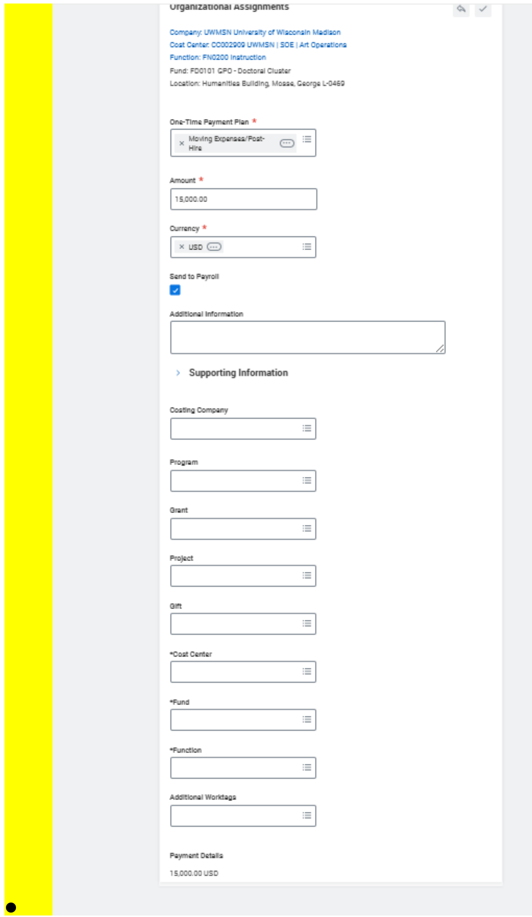
- Period Activity Pay (PAP)
    - Definition: Period Activity Pay (PAP) is a method of paying employees a lump sum for activities completed over a fixed-term period of time. This is a separate process from regular payroll so it will not default to position restriction funding if you forget to add the funding in the PAP.
    - Example: service related work like Summer Session/Service
    - Training video (please note that the video does not go over adding a funding for the PAP or how you can customize payment amounts for each pay period)
    - Activity Dates = Dates of the activates/work performed
    - Split funding cannot be done for a single PAP instance. You will need to split up the payment dates for the specific funding splits using the (+) on the top left. To enter funding, go to the "Compensation" section of the screen and click on the number (usually 0) under "Costing Override." The payment dates on the right dictate when the costing allocations will be effective. You may customize the pay periods in which payments will be made.



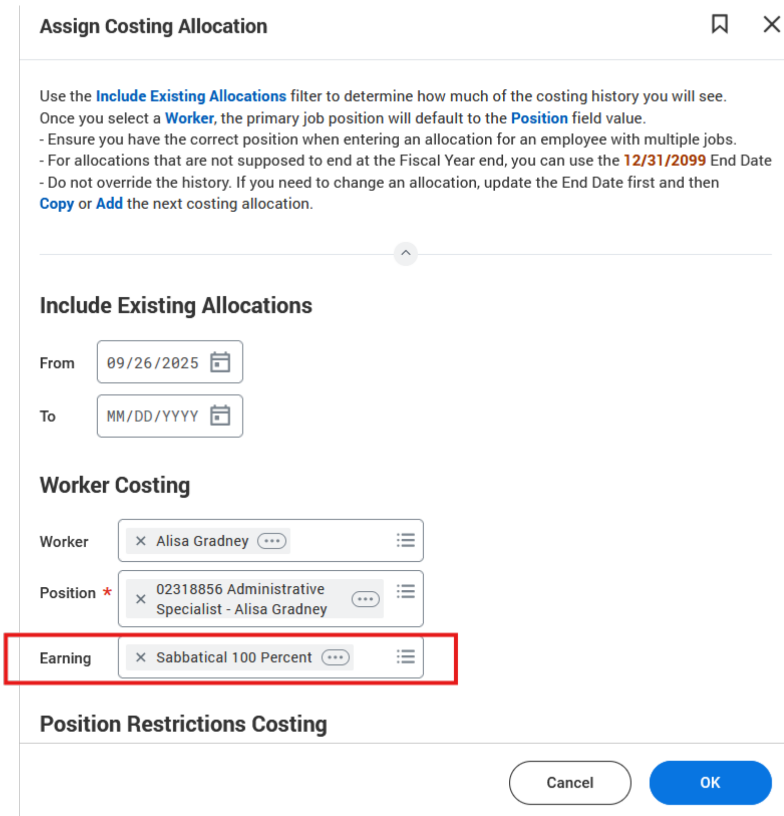




- [One Time Payment (OTP)]
  - Definition/list: A non-recurring payment request for Performance Bonus, Retention Bonus, Department Faculty/Staff Award, or Relocation.



- [Sabbatical](#)
  - Definition
    - Faculty sabbatical is a professional development leave granted to eligible instructional faculty for the purpose of engaging in intensive study, research, or curriculum development. The goal is to help faculty become more effective teachers and scholars while enhancing their contributions to the university.
    - If a faculty takes a full year sabbatical, only 65% of their salary will be covered. If they take sabbatical for a semester, 100% of their salary will be covered.
  - Example



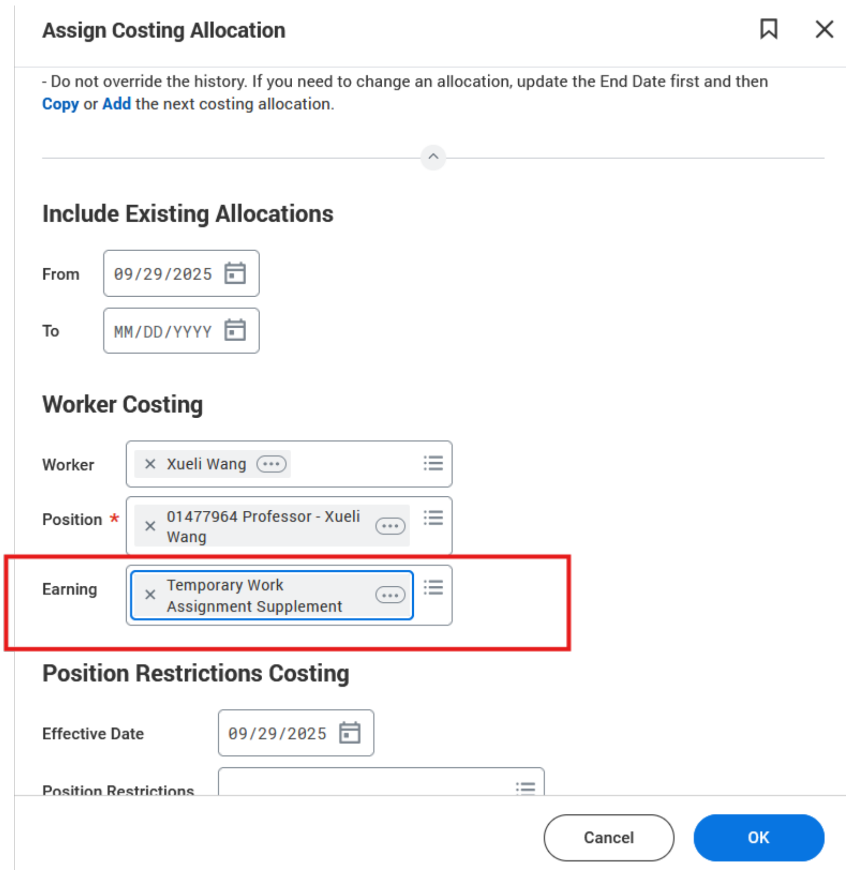
Sabbatical type and earnings code

Type of Employee/Sabbatical Leave	Earnings Code Used
9-month faculty/Faculty Sabbatical – Full Academic Year	Sabbatical 65 Percent
9-month faculty/Faculty Sabbatical – One Academic Term	Sabbatical 100 Percent
12-month faculty/Faculty Sabbatical – Full Academic Year	Sabbatical 65 Percent - Annual
12-month faculty/Faculty Sabbatical – One Academic Term	Sabbatical 100 Percent - Annual

Costing Allocations may be overwritten on these sabbatical earnings codes and any pay input amounts.

To the top

- TWA - Temporary Work Assignment (used to be called a TBA or a temporary base adjustment). A TWA is a rate increase when an employee assumes a temporary change in responsibilities and can be a Chairship, a named professorships (e.g. Vilas Distinguished Achievement Professorship) or when serving in an interim appointment.
- Please consult with HR on this process before entering any funding. Funding will be entered the same way as the Worker Position Costing Allocation (see above example) with the addition of an earnings code



Costing Allocations FAQs

Basics

What is a costing allocation?

A costing allocation in Workday defines how payroll expenses are funded. It specifies which driver worktags apply to payroll-related transactions, including employee earnings, employer-paid expenses, deductions, fringe benefits, and payroll obligations.

What is the difference between Create Position and Job Requisition?

Both are HR business processes, but they serve different purposes: **Job Requisition**: Used when starting a recruitment process for a position. Creating a job requisition also creates the position as part of the process. **Create Position**: Used as a stand-alone process when recruitment isn't needed such as for student assistant roles or summer appointments for faculty. The costing allocation process for both of these HR business processes is the same.

What is the difference between Position Restrictions and Worker Position funding?

Position Restrictions: These are attributes tied to the position itself, regardless of whether it is vacant or filled. They include details like FTE, contract type, and default costing allocation. Position Restriction funding acts as the fallback funding source if the worker's position funding fails or ends. **Worker Position**: the costing allocation is assigned during the hire process and represents the primary funding source for the individual (worker) occupying the position.

Is the costing allocation process different for student hires?

No, the process is essentially the same. The key difference is that student hourly workers do not have a position in Workday, so the costing allocation is assigned directly to the worker rather than to a position.

How does Federal Work Study (FWS) affect the costing allocation process for students?

If a FWS tag is added under "Additional Classifications" for a student job, an extra step is triggered in the student hire business process. This step requires entering a worker position earning costing allocation that includes the FWS program.

What is the standard end date for ongoing funding?

6/30/2099 is the suggested end date that all campuses should use as the end date for ongoing funding. If you know your funding has an end date prior to 6/30/2099, that date should be entered.

Are the start and end dates on costing allocations for the appointment itself or for the funding dates?

The start and end dates on a costing allocation are the funding dates.

What security roles do I need to initiate or approve costing allocations?

To initiate, you need to have either the Cost Center Account Specialist or the Cost Center Accounting Manager security role. The approve a costing allocation, you need to have either the Cost Center Accounting Manager or the Position Budget Manager security role.

<u>What happens if someone holds multiple roles (e.g., Position Budget Manager and Driver Worktag Manager)?</u>
Workday assumes approval for both steps and skips duplicate approvals.

<u>Can you delegate a costing allocation task to another person, if they have the appropriate security roles?</u>
A costing allocation initiation cannot be delegated. A costing allocation approval can be delegated.

<u>Are you automatically notified when a costing allocation is fully approved?</u>
No, Workday does not send automatic notifications. However, the remaining process can be viewed at any time by navigating to My Tasks → Archive. From there you will be able to see who has approved and which approvals are awaiting action. For tasks awaiting approval, they remain in the approver's My Tasks inbox until completed. Another option is to run the Business Process Transactions of Type Awaiting Action report and search for Assign Costing Allocation.

<u>Do we have to update funding/costing allocations every few fiscal year?</u>
No, by setting an end date far in the future (6/30/2099), the costing allocation will remain active until it is manually updated.

<u>Is an end date always required?</u>
Even though there is not a red asterisks next to end date, an end date is required. If the end date is not entered, you will receive an error and will not be able to submit the costing allocation.

Split Funding and End Dates

If there are multiple driver worktags on a worker position costing allocation and one funding ends but the other fundings do not, would all future payroll post to the position restricted funding after the one funding end date is passed? On a costing allocation, the same end date is assigned to all driver worktags. If the worker position costing allocation ends and is not updated, the funding would revert to the position restriction funding. A new worker position costing allocation should be assigned with new end dates to continue spending on the grants that have not ended.

<u>If a grant, gift, or project has an end date that has passed, but the worker position costing allocation has a later end date, will the costing allocation fail?</u>

If a worker's costing allocation ends and isn't updated, payroll reverts to the position restriction funding (default).

What if the original costing allocation ends in 2099 but you need to change it to a new costing allocation that starts in 2025?

Change end date from 2099 to 2025 and enter new costing allocation with new start/end dates.

Sometimes with grant funding, hires need to be made prior to the funding being finalized with research and sponsored programs. Currently we use a default funding designation until the grant funding is finalized. How will that work in Workday?

The position will have the costing allocation assigned, and that's the fallback funding in the event that the worker's funding isn't updated.

When there is split funding with funds/driver worktags having different end dates, what should be entered for the end date of the costing allocation?

When allocating split funding across multiple driver worktags with different end dates, it's recommended to assign costing allocations based on the fund that ends first. Once that fund expires, you can update the costing allocation to reflect the remaining funding source.

Can you accidentally skip a date when you're entering the start or end date?

For example if you accidentally enter 4/27 and the start date of the next line is 5/1 so there are a few days missing, will you get an error? Workday will throw a critical error (hard stop for overlapping dates. There is a warning (not a hard stop) if there is a date gap in your costing allocation.

Can costing allocations be split by dollar amount vs percentages?

Split costing allocations are entered by percentage and must add up to 100%.

Can the distribution percentages be decimals?

Yes, distributions can be carried out to 4 decimal places. For example, 16.6777%

Costing Allocation Changes

Should we still follow the bi-weekly payroll schedule (2025, 2026) to figure out the deadlines for making funding/costing allocation changes?

The payroll schedule and cut off deadlines will remain the same for entering costing allocations. Funding changes should be entered and approved by 10am on the Final Calc and Complete date (Thursday after pay period end date barring exceptions for holidays) for that pay period.

How far back will we be able to update costing allocations (e.g. to the beginning of the current pay period)?

Costing allocations effective dates are largely forward-looking meaning they will only be used for pay periods that have not been processed for payroll yet. If you updated a costing allocation with a starting date that has already passed, you will want to confirm if that payroll has already been paid/posted. If the payroll has already posted for the period you will need to process a Payroll Accounting Adjustment to move the already posted payroll. If the payroll has not been posed, and your costing allocation was approved before the payroll ran, it will post appropriately to the updated allocation.

If the costing allocation needs to be adjusted for a pay period that has past, do you do a change in costing allocation plus a journal entry fix?
Yes, you will need to update the costing allocation. To update a payroll from the past, you will need to do a Payroll Accounting Adjustment.

Will the Payroll Accounting Adjustment process replace the salary cost transfer process?
Yes, please reference this KB.

Reports and Monitoring

Will we get a notification if an employee's Worker Position Costing Allocation end date is approaching?
There will NOT be a notification and you will need to pro-actively run a Workers with Expired or Invalid Costing Allocations (UW) report. Please note that if the employee's funding (aka the worker position costing allocation) ends BEFORE the end of their employment, payroll will default to the Position Restriction Costing Allocation. As an example, Bucky Badger is employed until 9/26/2025 but their Worker Position costing allocation ends on 9/1/2025. Any pay that bucky gets after 9/1/2025 will default to whatever funding is listed in the Position Restriction Costing Allocation.

What report can I run to check current employee funding?
All Workers Costing Allocations by Company, Sup Org or Worker (UW). Filter by Sup Org (normally the Chair of the dept). Make sure to check the "Include Subordinate Organizations" box

The costing allocation view in an employee record is only for that specific position and not all positions held by an employee correct? So if someone has 2 appointments, you'd have to look at each individually?
Correct, you need to ensure you are viewing the correct position.

How do I see the costing allocation for an employe whose job has terminated?

In the employee's profile, go to Pay, then Costing Allocations. At the bottom, click on View All Costing Allocations.