

VI-1 Labor Distribution-Introduction

CALSTARS was designed to provide program accounting to agencies. Program accounting provides agencies with a record of the cost of personnel and operating expenses associated with various activities of the organization. The CALSTARS labor distribution process provides several methods for costing agency Personal Services (UCM Category 1) and recording related statistics. The purpose of Chapter VI is to describe the various labor distribution features and furnish detailed instructions for their use.

OVERVIEW

The labor distribution process is a comprehensive and flexible system. It is described in this chapter from two vantage points: analysis of the accounting functions and operation of the data processing functions.

Accounting Overview

The labor distribution process allocates personnel **costs** and **hours** to programs and organizations. It also allocates costs by Object Detail and at the agency's option, Agency Object. Accounting transactions are generated to distribute these costs. These transactions are generated for:

- ✦ Regular and overtime payments.
- ✦ Shift differential and shift differential overtime payments.
- ✦ State's share of staff benefits.

Transactions may also be generated (optional) for:

- ✦ Statistics, such as hours, which may be related to personal services costs.

These cost and statistics transactions are passed to CALSTARS with complete accounting classification information to enable posting at the lowest level of detail within the classification structure.

Labor Distribution Processing

Labor distribution processing begins with the receipt of the payroll file from the SCO. The agency sets an indicator in the Organization Control (OC) Table when ready to distribute the payroll costs. This causes the labor distribution process to run and create accounting transactions and reports.

Payroll costs are distributed based on five tables. They are:

- ✦ Labor Distribution Control (LC) Table
- ✦ Employee Master (EM) Table
- ✦ Timesheet (TS) Table
- ✦ Adjustment Timesheet (AJ) Table
- ✦ Adjustment Payroll (PT) Table.

A LC Table record must be established for each applicable funding fiscal year. This table specifies all of the agency parameters used in the labor distribution process. These parameters may be overridden by information in the EM Table.

The EM Table record contains specific classifications for the distribution of costs by Index, PCA, PCA Activity, Project, Work Phase, Object Detail, Agency Object, Location, and Multipurpose Code, as determined by the agency. Each set of distribution information is called a "Home Base" account. Each EM Table record may have up to ten Home Base Accounts. An EM Table record may be established for an individual by Social Security Number or for a group of employees by SCO Payroll Reporting Unit. The EM Table information overrides the LC Table for that employee or group. The use of this table is discussed in Chapter VI-3. In addition, information such as Add-ons may be coded in the EM Table.

Timesheets are used to distribute labor costs when salaries and wages must be charged to specific work activities that vary each month and/or when required for specific funding sources, e.g., Federal funds. Like the EM Table record, TS record may be established for an individual by Social Security Number or for a group of employees by SCO Payroll Reporting Unit. When timesheets are entered, the timesheet information is used to override the Home Base Accounts specified in the EM Table for a particular pay period. The use of this table is discussed in Chapter VI-4.

The AJ Table and PT Table are used to modify timesheet information that has been posted incorrectly in previous pay periods. The use of these tables is discussed in Chapter VI-5.

SYSTEM OPTIONS

Through options within labor distribution, each agency may tailor the system to best suit its needs. Timesheets, an option within each processing alternative, add an additional layer of control and work effort.

The three options (from least to greatest complexity and effort) are:

- ✦ Actuals Costing (Discussed in this chapter).
- ✦ Standards Costing (Discussed in Chapter VI-7 ^{1/}).
- ✦ Combination/Overrides/Reserves (Discussed in Chapter VI-7^{1/}).

^{1/} This chapter is not distributed unless an agency intends to use this option.

Brief descriptions of the options are contained in the following paragraphs and in generalized processing diagrams in Exhibits VI-1-1 through VI-1-3.

Actuals Costing

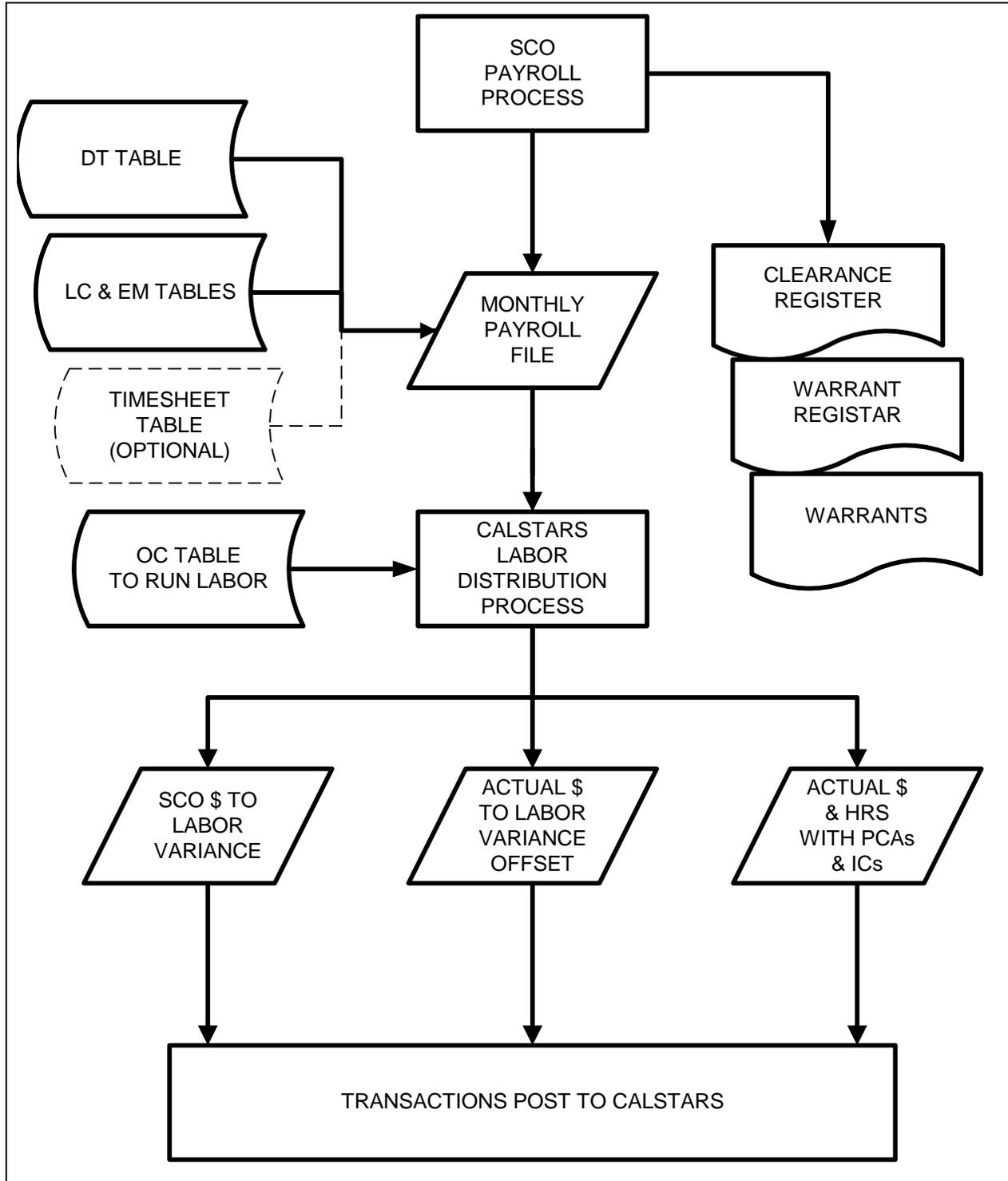
Under the Actuals Costing option (Exhibit VI-1-1), the process:

- ✦ Posts SCO actual payroll dollars to a labor **Variance account** defined in the Labor Distribution Control (LC) Table. However, under Actuals Costing, the various accounts are reversed by the actual dollar amount resulting in a zero net on the Variance reports.
- ✦ Charges the actual dollars and hours to the PCAs defined in the agency's Employee Master (EM) Tables.
 - (Optional) If timesheets are used, the generated transactions contain the employee timesheet data rather than the EM Table data.
 - If timesheets are used but not entered, the related accounting classifications in the EM Table are used.

The OC Table for the current year is used to initiate the labor distribution process. By keying code **Y-Yes** in the RUN LABOR field, agencies control the timing of the process. The labor distribution program is available every work day (except the last processing day of the month) and the RUN LABOR code must be entered by 3:00 PM for any particular day. See the OC Table instructions in Volume 2, Chapter IV-OC. In addition, see the month-end process information in Volume 2, Chapter II.

Agencies must perform a reconciliation of CALSTARS to the SCO based on SCO dollar amounts and transaction counts. The reconciliation process for Actuals Costing is discussed in Chapter VI-6.

EXHIBIT VI-1-1
 LABOR DISTRIBUTION PROCESSING ALTERNATIVES
 ACTUALS COSTING METHOD



Standards Costing

Using the Standards Costing option (Exhibit VI-1-2), the labor distribution process calculates amounts to be distributed to the various accounting classifications rather than using the SCO disbursement amount. The method used in the calculation and the accounts to be charged are defined in the LC and EM tables. The labor distribution process uses the EM and the Timesheet Tables the same as it does in the Actuals Costing option except for the additional calculation feature. The difference between the calculated standard distribution and the actual SCO disbursement amount is accumulated in the labor variance accounts. This labor variance account is reduced by the amount of labor costs as determined by the Standards Costing method. The balance, whether a debit or credit, represents labor costs that will need to be allocated. An allocation process should be run at least quarterly and must be run annually.

Combinations/Overrides

Using the Combinations or Overrides option, the costing method can be varied for each employee or group of employees based on gross pay or staff benefits. If necessary, reserve accounting for paid leave is available. Exhibit VI-1-3 illustrates a combination of the Actuals Costing and Standards Costing options. This is only one of the many override capabilities.

EXHIBIT VI-1-2
 LABOR DISTRIBUTION PROCESSING ALTERNATIVES
 STANDARDS COSTING OPTION

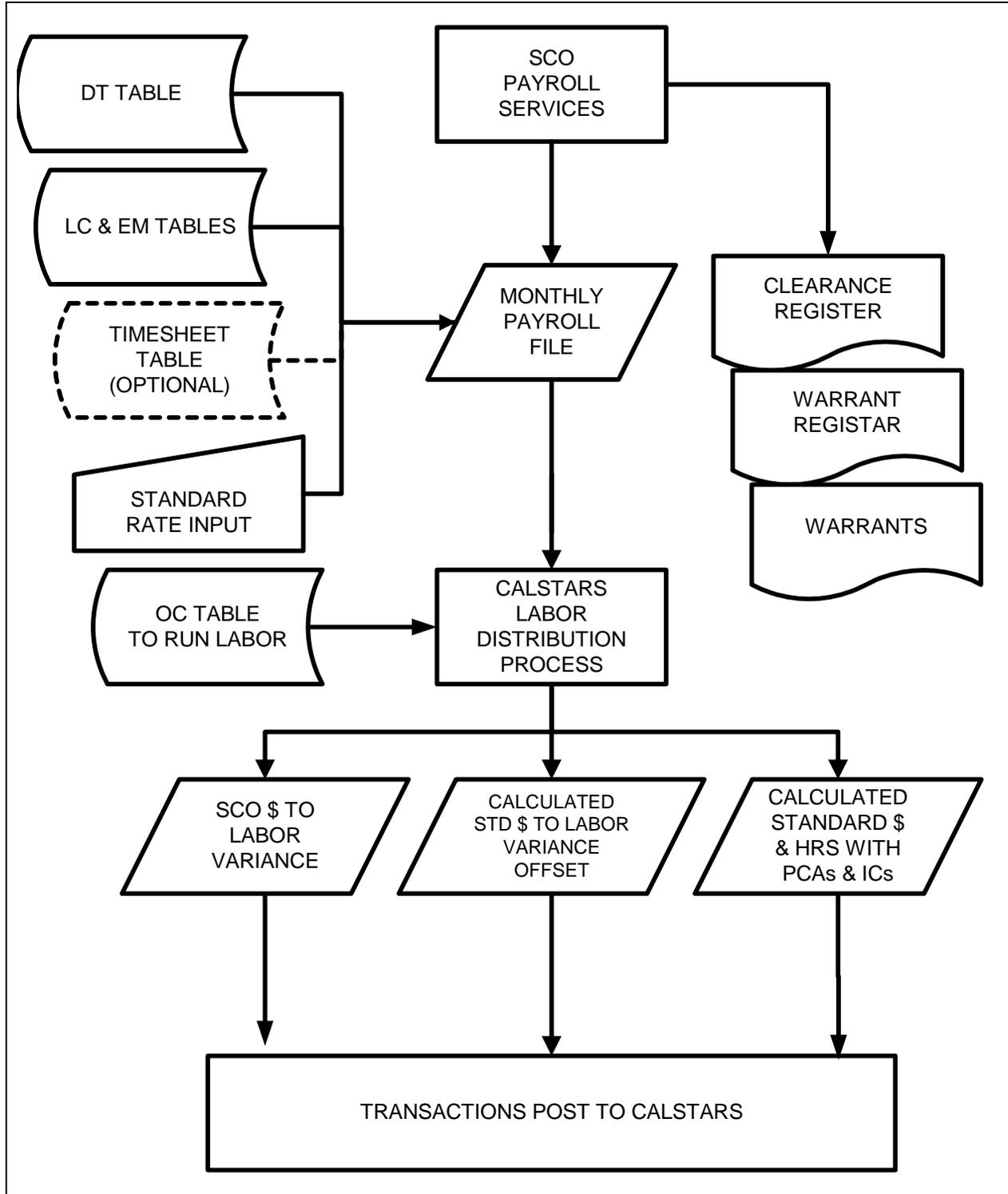
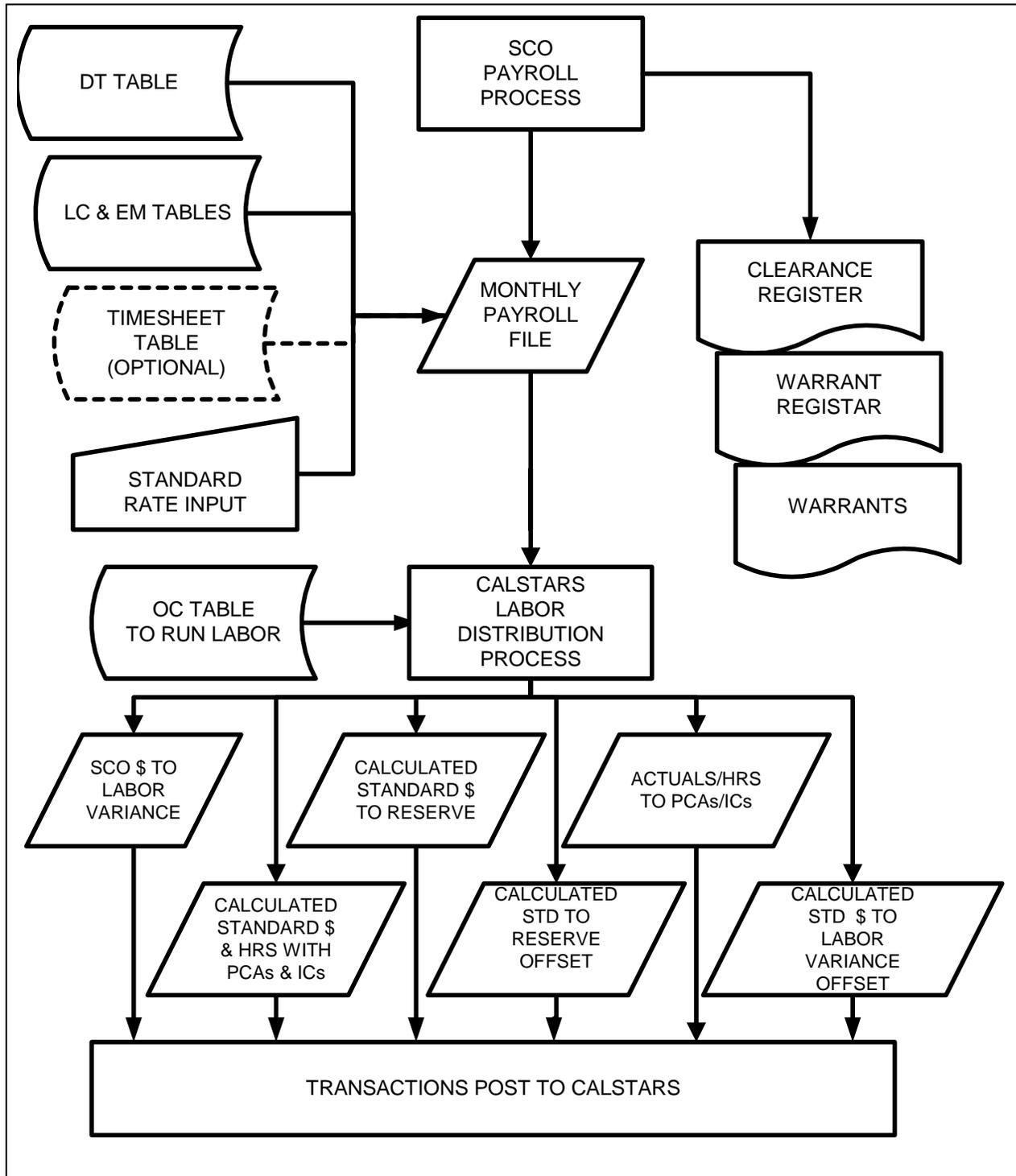


EXHIBIT VI-1-3
 LABOR DISTRIBUTION PROCESSING ALTERNATIVES
 COMBINATIONS AND OVERRIDES



DESCRIPTOR TABLES USED IN LABOR DISTRIBUTION

There are three Descriptor Tables used in the labor distribution process:

D45 - Agency Conversion Descriptor Table

The D45 - Agency Conversion Descriptor Table converts the 3-digit SCO Payroll Agency Code to the 4-digit UCM Organization Code so that the labor distribution process may select the agency payroll records from the SCO payroll file. This is a statewide table maintained by the CALSTARS staff; therefore, new agencies or their CALSTARS analyst must request entries be made for each agency. If all of the agencies SCO Payroll Agency Codes are not identified in the D45 Table, those agency codes not in the table (and PRUs if appropriate) will not have SCO records selected for labor distribution processing in CALSTARS.

D46 - Pay Period Descriptor Table

The D46 - Pay Period Descriptor Table defines the State's standard pay period start and end dates and the standard working hours in the pay period. This is a statewide table maintained by the CALSTARS staff.

D47 - Payroll Object Conversion Table

The D47 - Payroll Object Conversion Table is an optional agency-controlled descriptor table that allows agencies to assign specific Object Detail and Agency Object codes based on the SCO blanket codes. Each blanket number must correspond directly to a specific Object Detail/Agency Object combination.

MONTHLY LABOR DISTRIBUTION PROCESS SCHEDULE

The month-end processing schedule normally begins with the labor distribution process because some of this information is later used in the cost allocation process. The table below shows a typical month-end closing process.

Day	Activity
1 st	First Processing Day of the New Month Enter New Timesheet Data (if applicable) Enter Adjustment Timesheets (if applicable)
2 nd	Payroll Data is Normally Available from SCO
3 rd	Run Adjusted Timesheets (if applicable)
5 th	Run labor distribution process (or sooner, if possible)
10 th	Run Cost Allocation and Fund Split
Last	Month-end Rollover

Since agencies that use the cost allocation capabilities of CALSTARS generally use labor data as a distribution base, the labor distribution process must be executed for most agencies before the cost allocation and fund split process. The execution of the labor distribution process requires payroll data from the SCO's State Payroll System, and, optionally, timesheet data from the agency. Payroll data from the SCO's State Payroll System is usually available for the labor distribution process within one week after the close of each pay period. If timesheets are used, timesheet data for the pay period must be entered by the agency before labor distribution is run.

SYSTEM FEATURES

Through the use of the various labor tables, agencies may tailor the labor distribution process to meet their specific needs. The system options discussed here are only those compatible with Actuals Costing. Other costing methods are discussed in Chapter VI-7, Other Labor Costing Options (this chapter is only made available to agencies that have a need for those features).

Costing Method

Two options are available for costing and recording salary and wage costs in CALSTARS. The Actuals Costing method permits agencies to use the actual payroll cost reported by the State Controller's Office through the Uniform State Payroll System as a basis for labor cost distribution. The Standards Costing method permits agencies to use standard rates for cost distribution based on employee information maintained by each agency. The Actuals Costing method will be discussed in the following section and in Chapter VI-2 through VI-6. Other costing methods are discussed in Chapter VI-7, Other Labor Costing Options (this chapter is only made available to agencies that have a need for those features).

Using Actuals Costing

If the Actuals Costing method is used to distribute payroll dollars, the amount of each distribution is based on information provided by the SCO payroll system. The gross pay for each employee is distributed among the various accounts that are identified to receive a portion or all of that employee's costs. If, for example, an employee's gross earnings are \$1,600 and the employee worked 160 hours during the month, \$10 is charged for each hour identified with a different accounting classification.

Distributing actual costs as reported by the Uniform State Payroll System has the advantage of keeping agency records of payroll costs more in balance with the Controller's records. Minimum effort should be required to maintain and reconcile variances to the SCO each month. Since the SCO charges posted to the variance accounts are offset by charge distributions based on actual cost, the variance account balances should always be zero.

The primary disadvantage of Actuals Costing is the possible distortion of monthly expenditure totals for some agencies that have seasonal fluctuations in workload. The distortion arises from the one month lag in receiving payroll costs for hourly employees and overtime work from the Uniform State Payroll System. The first month's costs are understated; the second month's are overstated.

Another disadvantage of Actuals Costing stems from the need to sometimes distribute labor costs at a higher rate than the gross pay. This is particularly true for costs associated with reimbursable work. Factors are normally added in these situations to take into account nonproductive time. By increasing the labor rate charged, an agency is more apt to recover the full costs of reimbursable activities.

The labor distribution process provides a mechanism to overcome this disadvantage by allowing the agency to selectively establish Add-on rates for salaries and staff benefits.

Staff Benefits Costing

Under Actuals Costing, staff benefits are costed on an actual basis. Each Object Detail for staff benefits is identified and retained during the labor distribution process.

Statistics

Agencies may have the labor distribution process generate labor hour statistics from either the SCO payroll data or the timesheet or both. When timesheets are used, SCO statistics reflect the proportional distribution of the hours reported by the SCO based upon the recorded hours on the timesheet and the timesheet statistics reflect the actual hours recorded on the timesheet. The accounting classifications on the timesheet are used in the statistics transactions. When timesheets are not entered, only SCO statistics are produced and these statistics are based on the data as defined in the home base accounts.

Position Coding

Agencies may optionally use the full Position Number field as part of the key to the EM Table. If an agency is not using Position Number in the key, that field in the SCO payroll tape is ignored when the payroll data for the agency is matched against the EM Table.

If an agency chooses to use Position Number, EM Table records must be established for each position from which a given employee is paid. Both the position and employee number fields in the EM Table and SCO payroll tape are used when the files are matched. The advantages of using both position and employee number fields is that greater control is achieved. The disadvantage is more employee records to maintain, adding complexity.

Overtime, Shift Differential and Shift Differential Overtime Coding

Agencies may either code overtime on the timesheet or include overtime in the regular hours charged. If overtime is included in the regular hours, overtime is distributed in the same manner as the regular hours. This is also true for Shift Differential and Shift Differential Overtime.

Employee Types

Each record in the EM Table must be identified as either an individual or a group record. An individual is a single employee. A group represents a single payroll agency and reporting unit. Additionally, one or more employees within a given group EM Table record may also be established individually to override the group record. This would be necessary, for example, if some of the employees were assigned to a special project with its own unique funding source.

Timesheets

Timesheet reporting provides three options:

- ✦ Full-positive time reporting - All employees in a payroll unit must record all of their work and paid absence hours. Positive reporting may be specified on an employee basis. Labor distribution can be set to print timesheets for these employees.
- ✦ Negative basis - No timesheets are required unless an employee uses a different distribution than the Home Base accounts.
- ✦ Exception basis - Some of the hours are assigned differently, and the remaining hours go to the Home Base accounts.

Timesheets must be prepared if an employee must charge any account other than the home base accounts in the EM Table. Additionally, timesheets must always be prepared for recording vacation, holiday, sick leave, compensatory time earned, or CTO taken if reserves have been created for these types of paid leave.

Payroll costs are only distributed when the actual charges appear on the SCO payroll tape. This could be several months after the work was actually performed. Therefore, timesheets for the entire fiscal year remain on file. Timesheets for the fiscal year just ended are purged as part of the October month-end roll process each year, fully distributed or not.

Standard Hours Edit

Some individuals in certain work week groups are required to work the State's standard number of hours for the month. The agency may specify that the labor distribution process perform a special edit to determine if these employees actually worked the month's standard hours. This edit is only performed if timesheets are used, and applies only to individual employees, not to groups.

ACCOUNT DEFINITIONS

There are many accounts that may be established. These accounts are used to accumulate and distribute payroll costs and hours. They are classified as:

- ✧ Timesheet accounts (*optional*)
- ✧ Home Base accounts
- ✧ Undistributed
- ✧ Supplemental accounts (*optional - EM only*)
- ✧ Variance accounts
- ✧ CTO reserve accounts (*optional*)
- ✧ Add-on accounts (*optional*).

Each of these accounts is described below:

Timesheet Accounts

Timesheets may be entered on a positive or exception basis for employees or groups of employees. Up to 15 different accounts may be charged on a page of a timesheet and a timesheet may be 99 pages long. Partial hours may be used. Each line of the timesheet may be coded with the following accounting classification data:

- ✧ Index Code (*optional*)
- ✧ PCA
- ✧ PCA Activity (*optional*)
- ✧ Project and Work Phase (*optional*)
- ✧ Agency Object (*optional*)
- ✧ Location (*optional*)
- ✧ Multipurpose Code (*optional*).

In addition, hours on the timesheet for the various Types (REG, OT, etc.) may default to the Home Base accounts in the EM Table.

Home Base Accounts

Up to 10 Home Base accounts may be defined in the EM Table for each group or employee. Each account consists of the following accounting classification elements:

- ✧ Index Code (*optional*)
- ✧ PCA
- ✧ PCA Activity (*optional*)
- ✧ Project and Work Phase (*optional*)

- ✪ Location (*optional*)
- ✪ Multipurpose Code (*optional*).

The employee's labor costs are distributed to these accounts based upon a predefined percentage for each account. These Home Base accounts may be overridden by entering a timesheet for the employee. The table below illustrates the function of the Home Base accounts. In this example, the payroll tape contains \$1,988.80 in costs and 176 regular hours. The remainder of the calculated hours and dollars are assigned to the last Home Base account.

Home Base Account Number	Index	PCA	PCA Activity	Proj/WP	Location	Multi-purpose	%	Hours	Dollars
1	1234	12345	1234				5	8.80	99.40
2	2345	23456	2345	234457-89	012345	678901234533	10	17.60	198.88
3	3456	34567					5	8.80	99.40
4	4567	45678		456780-01			20	35.20	397.76
5	5678	56789	5678		567890		15	26.40	298.32
6	6789	67890		678901-23	678901		10	17.60	198.88
7	7890	78901	8901		789012		5	8.80	99.40
8	8901	89012		890123-45			10	17.60	198.88
9	9012	90123			901234	901234567823	15	26.40	298.82
10	0123	01234		012345-67			5	8.80	99.06
Total							100	176.00	1,988.80

Undistributed and Supplemental Accounts

There are two accounts that are always used for reconciliation and control purposes:

- ✪ Undistributed Payroll Account
- ✪ Supplemental Payroll Account.

Undistributed Payroll Account

The PCA and Index combination coded as the Undistributed Payroll Account is charged with payments from the SCO payroll that cannot be distributed by the labor distribution process because the employee(s) or group is not identified in the EM Table. Payroll payments from prior year appropriations are charged to this account when a LC Table record is not established. The Undistributed Payroll Account normally has a debit balance until cleared manually.

To manually clear the Undistributed Payroll Account, use Transaction Code (TC) 372R or 242R to reverse the costs charged in the Undistributed Payroll Account. Then use TC372 or 242 to charge the payroll costs to the appropriate accounts.

The Labor Distribution Analysis – Undistributed Report, CFB556G1, which is produced during the labor distribution process, summarizes all payroll items that are charged to the Undistributed Payroll Account.

Note: CFB556G1 is illustrated in Exhibit VI-6-17 in Volume II Chapter VI-6.

Supplemental Payroll Account

The labor distribution process automatically distributes the most common types of payroll disbursements, which are regular, shift differential, overtime and shift differential overtime payments. All other payroll and adjustment types, such as military duty or maternity leave, are posted to the supplemental payroll accounts. These accounts normally have a debit balance until cleared either manually or through the cost allocation process.

Variance Accounts

These accounts are used for recording variances in gross pay distributions and the State's share of OASDI, retirement, health insurance, dental insurance, management life insurance, vision insurance, Medicare, and any other benefits. Variance is the difference between the SCO payroll charge and the distribution in CALSTARS. These accounts should always have a zero balance when the Actuals Costing option is used.

Staff benefits variance accounts are always charged with the actual payroll costs for each staff benefit. The Actuals Costing method distributes actual staff benefits by Object Detail for each benefit account. The staff benefits variance accounts should also have a zero balance when Actuals Costing is used.

CTO Reserve Accounts

Accounts may be defined for building a Compensatory Time Off (CTO) reserve and a factor for applying compensatory time earned. This factor is applied to the regular pay rate for the hours of Compensatory Time Earned (CTE) and charged to the program(s) worked on. A credit is made to the CTO Reserve Account to build a reserve for compensatory time off. This account is debited when the actual compensatory time is taken. Any credit balance in this account represents CTO earned but not taken. Handling of the CTO Reserve account is illustrated in Exhibit VI-1-4. In this exhibit, the CTO factor is 1.5 and the hourly rate before applying the CTO factor is \$10 per hour. See Chapter VI-7 for detailed instructions.

Add-on Accounts

Credits may be made to build reserves for events such as holidays and vacation by specifying a reserve (Add-on) account. Up to eight standard Add-on rates may be specified for applying additional costs to the payroll costs. Debits to these accounts are made when the actual time is taken. These reserve accounts are handled similarly to the CTO Reserve account. See Chapter VI-7 for detailed instructions.

Using Group versus Individual Employee Labor Distribution

When establishing EM Tables for purposes of accurate labor costing, one of the major decisions is whether to establish an EM Table for all employees within a Payroll Reporting Unit (PRU) or Attendance Reporting Unit (ARU), individual employees or a combination of these options. For simplicity, PRU group EM Tables require the least set-up and maintenance, while individual employee EM Tables require the most. Use of group or individual timesheets adds another level of complexity to these options.

In addition to establishing a group EM Table record, it may also be necessary to establish individual EM Table records for selected employees in that group. These additional records are for those employees who charge different Index/PCA combinations than the group PRU to which they belong. The following list shows the order in which payroll is processed:

1. Timesheets for Individual Employees
2. Timesheets for Groups
3. Individual EM Table Records for Employees Without Timesheets
4. Group EM Table Records for Groups Without Timesheets
5. No EM Table Found (Undistributed).

Using Blanket Payroll Labor Allocation

There are occasions when it is necessary to establish mechanisms to allocate the labor costs if Overtime, Temporary Help and other unique blanket accounts are used by an agency. To properly identify each blanket account and retain the Object Detail code, each account maintained by the SCO must be established in the D47 - Payroll Object Conversion Table. See Volume 2, Chapter IV-DT for more information on this table.

EXHIBIT VI-1-4
CTO RESERVE ACCOUNT

Month 1	Timesheet Distribution					
	Dist 1	Dist 2	Dist 3	CTE	CTO	CTO Reserve
CTE HOURS	6 ^{2/}	7.5 ^{2/}	9 ^{2/}	15 ^{1/}	--	(22.5)
REGULAR HOURS	40	50	60	--	--	--
REGULAR DISTRIBUTION	\$400	\$500	\$600	--	--	--
CTE DISTRIBUTION	\$60 ^{2/}	\$75 ^{2/}	\$90 ^{2/}	--	--	(\$225)
Month 2						
CTO HOURS TAKEN	--	--	--	--	15	(7.5) ^{3/}
REGULAR HOURS	45	90	--	--	15	--
REGULAR DISTRIBUTION	\$450	\$900	--	--	--	--
CTO DISTRIBUTION	--	--	--	--	--	\$150
BALANCES						
	\$910	\$1,475	\$690	--	--	(\$75)

^{1/} Actual hours of overtime worked.

^{2/} Computed CTE @ 1.5 rate.

^{3/} Net = 22.5 - 15 = 7.5 credit balance.

CTE = Compensating Time Earned

CTO = Compensating Time Off (Absence)

CTE Factor = 1.5

Hourly Rate = \$10

Using Overtime Coding

The Labor Control and Employee Master tables' overtime coding indicator tells the labor distribution process whether the timesheet will have overtime recorded as overtime or as regular time. If the indicator is set to **Y** and overtime is separately recorded on the timesheet, the employee's overtime payment is charged based solely on the overtime hours. Alternatively, if the indicator is set to **N** and overtime is recorded as regular hours on the timesheet, the overtime payment (as well as the regular payment) is charged based on regular hours.

It is vital that the Overtime Coding Indicator settings are consistent with the timesheet coding. If the Overtime Coding Indicator is set to **Y** but the timesheet's overtime hours are coded to "regular", the employee's overtime payment will be distributed based on the employee's Employee Master record's coding.

Overtime Coded on the Timesheet

In the chart below, the employee has charged 88 hours of regular time to both Account **A** and Account **B** and 10 hours of paid overtime to Account **B**. When the Actuals Costing method is used, overtime is distributed in a month *subsequent* to the month in which it was earned. This is because the SCO makes overtime payments usually during the middle of a month after the overtime is earned. The chart shows that the regular pay from the SCO for Month 1 is \$1,760 or \$10 per hour, and the amounts charged to Account **A** and Account **B**. The overtime hours remain on the Timesheet Table in anticipation of an overtime payment from the State Controller's Office. In Month 2, the overtime payment arrives for \$150 and is charged accordingly to Account **B**.

Actuals Costing			
Account	Timesheet	SCO File	Charge
A	88 Hours REG @ \$10	Month No. 1 = \$1,760	88 Hours, \$880
B	88 Hours REG @ \$10		88 Hours, \$880
B	10 Hours OT @ \$15	Month No. 2 = \$ 150	10 Hours, \$150
Total			186 Hours, \$1,910

Overtime Included in Regular Hours on the Timesheet

The following chart shows how labor distribution process treats paid overtime when it is included in regular hours on the timesheet.

When overtime is include in the regular hours, the charges for both regular and overtime are distributed such that an average rate is charged to each account. The SCO regular salary and wage costs are charged on a pro rata basis in the month

earned, Month 1, and the SCO costs for overtime are charged in a subsequent month, or in Month 2, as shown in the following chart. Again, the employee has charged 88 hours of regular time to Account **A** and 98 hours of regular time to Account **B** on the timesheet. The SCO master payroll for regular time is for 176 hours and \$1760. The 176 regular hours are distributed on a pro rata basis to the accounts on the timesheet. Account **A** has 4.73 hours and Account **B** has 5.27 hours remaining to be distributed. These 10 hours are distributed the next month when the payment for 10 hours of overtime at a total of \$150 arrives. This overtime payment is distributed proportionally to the 10 regular hours remaining on the timesheet and each account is charged \$15 per hour. When these overtime charges are distributed, the Object Detail for overtime is used, **not** the Object Detail for regular time.

The summary of distributions from both Month 1 and Month 2 shows that 88 hours and \$903.65 are charged to Account **A** and 98 hours and \$1,006.35 are charged to Account **B**, an average rate of \$10.27. The total dollars are \$1,910.00, the same amount that was charged when paid overtime was charged to a specific account on the timesheet.

Account	Month #1 Timesheet	SCO Pay	Charges
A	88 Hours REG	176 Hours REG \$1,760.00	83.27 Hours, \$832.70
B	98 Hours REG		92.73 Hours, \$927.30

Account	Month #2 Timesheet	SCO Pay	Charges
A	4.73 Hours REG	10 Hours OT \$150.00	4.73 Hours, \$70.95
B	5.27 Hours REG		5.27 Hours, \$79.05

TOTAL DISTRIBUTION		\$1,910.00
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Account	Summary of Charges	
A	88 Hours,	\$ 903.65
B	98 Hours,	\$1,006.35
TOTAL		\$1,910.00
Hourly Rate = \$10.27		

Position Number Coding

The concept of position number coding is directly related to defining the key in the Employee Master Table. There are three possible ways in which a control key may be established in the Employee Master Table. They are:

- ☒ Position Number **and** Employee Number (SSN).

OR

- ☒ Employee Number (SSN) **only**.

OR

- ☒ Group Number (SCO Payroll Agency code **and** Payroll Reporting Unit).

As shown in the following chart, the coding requirements for the EM Table key are affected by the Position Number Coding Indicator entered in the LC Table. If position number coding is used, both the Position Number and the Employee Number are entered as the EM Table key. There must be as many records for one employee in the EM Table as there are separate Employee Number/position number combinations, i.e., when multiple position codes are assigned to one employee. If position number coding is not used, only the Employee Number is used in the key to the EM Table to tie all labor costs together by employee.

Groups may be established in the EM Table irrespective of the coding of the Position Number Coding Indicator in the LC Table. The first two fields of the position number (Payroll Agency code and Payroll Reporting Unit) define a group in the EM Table key.

EM Table Control Key	Position Number ^{1/} Indicator in LC Table	Code Position Number ^{1/} in EM Table	Code Group Number ^{2/} in EM Table	Code Employee Number in EM Table
Position Number <u>and</u> Employee Number	Y	YES	NO	YES
Employee Number	N	NO	NO	YES
Group Number	Y or N	NO	YES	NO

^{1/} Position Number is comprised of the SCO Payroll Agency code (3-digit), the Payroll Reporting Unit code (3-digit), the Employee Class code (4-digit) and the Employee Serial Number (3-digit).

^{2/} Group Number is the first 6-digit portion of the Position Number.

Statistics

The labor distribution process provides the option of generating statistical transactions in conjunction with the financial transactions. If statistics are used, labor hours as well as costs may be tracked. When statistics are generated, the type and nature of statistical transactions depends upon the costing methodology and the statistics option selected. Agencies may choose either SCO statistics, timesheet statistics or both.

When the Actuals Costing method is used, the following events occur. When timesheets are used, either SCO or timesheet statistics or both may be produced with the following results:

Timesheets are Used - The SCO or timesheet hours or both may be produced and the statistics reflect the SCO hours proportional to the hours shown on the **timesheets**.

Timesheets Not Used - The SCO hours may be produced and the statistics reflect the SCO hours proportional to the **Home Base accounts**.