0560.00 Earnings Distribution to General Ledger

In determining where an employee’s pay should be distributed in General Ledger, the system looks at a hierarchy of fields to determine where to charge an employee’s payroll expenses. The process looks for earnings distribution setup; if none exist the earnings will distribute a Suspense account. Distribution is always linked to a specific Employee and Job Record which is input when an employee is hired.

The University chart of accounts is made up of chartfields that contain individual elements such as business unit, department, account, fund code, class, program, project and operating unit. These chartfield strings coincide with a chartfield combination (aka combocode) or Accounting ID which payroll enters on the Distribution panel in the HR database.

The 5-digit Expense Account code determines how payroll earnings are distributed and must correspond with the employee type as follows:

- 50000 series: Faculty
- 51000 series: Salaried
- 52000 series: Hourly
- 53000 series: Student

In addition, specific earnings types are linked to a 5-digit account code. The 5-digit Account chartfield is also used to determine the applicable fringe benefit rate as defined on this site: http://www.maine.edu/about-the-system/system-office/finances/facilities-and-administrative-cost-rates-and-benefit-rates/

Student workers who have financial aid awards will have their distribution setup with a specific award distribution category as well as a department chartfields that will be charged when award is depleted. Students must always be set up with a default of account 53300.

It is important to ensure the proper distribution records are established and maintained as any inaccuracies will affect the labor expense for the department and may cause compliance issues, in particular with Contract, Grant and E&G funding sources.

Departments are responsible for managing their budgets and reconciling their General Ledger accounts activity for accuracy and notify Payroll of any discrepancies.