Assign Costing Allocation

The Assign Costing Allocation business process in Workday is straightforward, but because some concepts and terminology are new, this job aid offers two segments of information: background information and procedures. Note that costing is based on % and pay period, rather than $ and day.

Background information: Workday costing (labor distribution)

Cost allocation (labor distribution) functions at two levels: the position-level and the worker-level.

1) Position-level allocations: When a position is created, a Compensation Finance Partner (CFP) can assign a default account to that position so that any employee who holds that position gets paid.

Additionally, the CFP can, through position restrictions, set up multiple accounts at the position level, instead of just one default account that covers 100% of the position. For example, the CFP can select
one account to cover 50% of the position and another account to cover the remaining 50%.

2) **Worker-level allocations:** The worker level is the more common way to define costing (labor distribution) during the Hire or Add Additional Job business processes. Assigning costing can also be done ad-hoc via the Assign Costing Allocation business process.

A Compensation Finance Partner has the opportunity to override the default account(s) on the position, so that funds to pay the employee come from one (or more, as in a split) accounts, instead of coming from the default account(s) on the position.

Additionally, the CFP can set up accounts to pay for specific earnings, such as additional pays like a cell phone allowance.

The diagram on the first page illustrates how the payroll system searches for, and uses, an account to pay an employee.

First, look at the bottom-right side of the diagram Payroll Process in red. Moving up, the process begins searching for a costing allocation at a worker/earnings level (any overrides, etc.) and then moves up. Once payroll finds an allocation, the system does not look any further up the chain.

Two examples may further clarify the concept of worker- versus position-level cost allocations.

- **Worker-level example:** If the Compensation Finance Partner entered a costing override (i.e., entered an account other than the position default), the payroll system sees that override first at the worker level. Payroll would charge that (or those) account(s) to pay the employee. (Note: Only choose the earning level, which ties to an allowance plan, if you want that allowance plan to come from a specific account or set of accounts.)

- **Position-level example:** If the Compensation Finance Partner did not enter any costing overrides, payroll would not find an account at the worker-level. The system would look up another level and find that a default account exists on the position. The system would use that account to pay the employee.

**Procedures: how to assign costing allocations**

This section of the job aid walks you through three procedures: assign costing allocation for the worker, assign costing allocation for a specific earning, and set up position-level costing allocation.

1) In the search box, enter the name of the business process (Assign Costing Allocation) or enter the employee’s name to which you wish to assign costing; then click **Search**, or press the **Enter** key. The Search Results page is displayed.

2) Click the **Assign Costing Allocation** link.

The Assign Costing Allocation page displays:
3) Decide at what level you will assign costing: worker-level or position-level. The following sections describe directions for each.

**Assign costing allocations at the worker-level**

The worker level is essentially costing for the worker-in-the-position, which simply means that while there may be default costing assigned to the position itself (regardless of incumbent), you can define costing (override, and even split, if desired) for that person while they are in that position for a specified period of time (or indefinitely.)

After an allocation **End Date** (due to a leave, for example), or the person leaves the position, costing will revert back to the default at the position-level.

**Important Note:** Determine the appropriate **Effective Date**. This field defaults to the current date, however, a best practice is to use the same date as the start date of a pay period. Allocations that fall within a pay period take effect for the ENTIRE period. In period overrides will take effect for the entire pay period. Please make appropriate % distributions based on this functionality.

1) In the **Worker Costing** section, enter appropriate **Effective Date**.
2) In Position, click the prompt icon 📦 to select the appropriate position from the list (This list displays all the positions associated with the worker.)

⚠️ Important Note: Leave the Earning field blank. If you want to do an earning allowance, see the next section of procedures.

3) Click OK. The Assign Costing Allocation page displays.

4) Enter the appropriate Start Date (and End Date, if necessary).

Note: If you do not indicate an End Date, this allocation will be applied to all future pay periods going forward. In addition, if you enter an End Date – it will revert back to the default.

5) In the Costing Override field, enter the appropriate account. If known, type a portion of the account number into the search field to narrow your results.

⚠️ Important Note: To see more detailed account numbers, click on the F2- Sub Object or the F3-Org Ref ID result list categories, both of which will show more pieces of the account number. Also note that you can search by parts of an account number: e.g., if your account begins with F25, you can type F25 in the search box and get the results of all of the F25 account numbers. Here is more information about KFS acct strings:

- chart code (two characters)
- account (seven characters)
- sub-account (optional, up to five characters)
- org ref ID (This free-form field is optional free-form field and uses up to eight characters.)
6) Enter the **Distribution Percent**.

- Click the green addition icon to add another account if the position is split between accounts (include the Costing Override account and Distribution Percent. The distribution amounts must equal 100%.)

- Click to define a separate allocation period – you can designate various costing definitions for specific pay periods. As one costing override ends, an added override begins, etc. If you do an override and the original change did not have an end date, you must add and end date before you submit.

- Click **Submit**. The **Process Successfully Completed** page displays. No approval is needed.

**Example**: Pro-ration for non-exempts is very similar to today and done by pay period.

1. Default position costing allocation (100% account A) is already defined.

2. Assign a position costing override (**Worker Costing**, select the appropriate **Worker** and **Position**, as shown above) because job is always split 50/50 (50% account A, 50% account B), with no end date.

3. Per pay period costing override on the worker (25% account A, 75% account B) - is put on worker with begin and end dates aligning to pay period

After 3) ends, costing will roll back to 2).

**Assign costing allocation for a worker earning**

Costing at an earnings-level requires care and knowledge. These are typically done for additional/one-time pays. Knowing the correct account(s), earnings codes, and dates are critical. Note that you do not need allocate at the earnings level if the employee’s total pay (all elements of pay – salary, allowances, etc.) can be charged to an account(s) or if the default account on the position suffices.

1) In the **Worker Costing** section, enter appropriate **Effective Date**.

**Important Note**: Determine the appropriate **Effective Date**. This field defaults to the current date, however, a best practice is to use the same date as the start date of a pay period. Allocations that fall within a pay period take effect for the **ENTIRE** period. In period overrides will take effect for the entire pay period. Please make appropriate % distributions based on this functionality.
2) In **Position**, click the prompt icon to select the appropriate position from the list (This list displays all the positions associated with the worker that you have access to.)

3) In **Earnings**, click the prompt to select the appropriate earning. You may select multiple earnings, as long as they are coming from the same account(s).

   **Note**: For a **Work Separate from Duties** allowance, select the **Fees Not Connected** earning.

4) Click **OK**. The **Assign Costing Allocation** page displays.

5) Enter the appropriate **Start Date** (and **End Date**, if necessary).

   **Note**: If you do not indicate an End Date, this allocation will be applied to all future pay periods for that type of earning going forward. In addition, if you enter an End Date – it will revert back to the default.

6) In the **Costing Override** field, enter the appropriate account. If known, type a portion of the account number into the search field to narrow your results.

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**Important Note:** To see more detailed account numbers, click on the **F2- Sub Object** or the **F3-Org Ref ID** result list categories, both of which will show more pieces of the account number. Also note that you can search by parts of an account number: e.g., if your account begins with F25, you can type F25 in the search box and get the results of all of the F25 account numbers. Here is more information about KFS acct strings:

- chart code (two characters)
- object code (four characters)
- account (seven characters)
- sub-object code (optional, up to three characters)
- sub-account (optional, up to five characters)
- project code (Optional, not currently used)
- org ref ID (This free-form field is optional free-form field and uses up to eight characters.)
7) Enter the **Distribution Percent**.

- Click the green addition icon + to add another account if the position is split between accounts (include the other **Costing Override** account and **Distribution Percent**. The distribution amounts must equal 100%.)

- Click **Add** to define a separate allocation period – you can designate various costing definitions for specific pay periods. As one costing override ends, an added override begins, etc. If you do an override and the original change did not have an end date, you must add and end date before you submit.

  **Note:** If you do not indicate an End Date, this allocation will be applied to all future pay periods going forward. In addition, if you enter an End Date – it will revert back to the default.

8. Click **Submit**. The **Process Successfully Completed** page displays. No approval is needed.

### Assign position-level costing

Assigning costing at this level defines the labor distribution for the position – regardless of who is in the position over time. This is considered a more permanent costing allocation, and unless overridden at the worker level, the account(s) defined on the position will be the default account(s).

1) Leave all of the **Worker Costing** fields blank.

2) In the **Other Costing** section, enter appropriate **Effective Date**.
Important Note: Determine the appropriate Effective Date. This field defaults to the current date, however, a best practice is to use the same date as the start date of a pay period. Allocations that fall within a pay period take effect for the ENTIRE period. In period overrides will take effect for the entire pay period. Please make appropriate % distributions based on this functionality.

3) In the Position Restrictions field, click the prompt icon to identify the appropriate organization/manager, and select the position.

4) Click OK. The Assign Costing Allocation page displays:

5) Enter the appropriate Start Date (and End Date, if necessary).
   
   Note: If you do not indicate an End Date, this allocation will be applied to all future pay periods going forward. In addition, if you enter an End Date – it will revert back to the default.

6) In the Costing Override field, choose from the list of accounts. If known, type a portion of the account number into the field to narrow your results.

Important Note: To see more detailed account numbers, click on the F2-Sub Object or the F3-Org Ref ID result list categories, both of which will show more pieces of the account number. Also note that you can search by parts of an account number: e.g., if your account begins with F25, you can type F25 in the search box and get the results of all of the F25 account numbers. Here is more information about KFS acct strings:

• chart code (two characters)  object code (four characters)
• account (seven characters)  sub-object code (optional, up to three characters)
• sub-account (optional, up to five characters)  project code (Optional, not currently used)
• org ref ID (This free-form field is optional free-form field and uses up to eight characters.)
7) Enter the **Distribution Percent**.

- Click the green addition icon + to add another account if the position is split between accounts (include the **Costing Override** account and **Distribution Percent**. The distribution amounts must equal 100%).

- Click **Add** to define a separate allocation period – you can designate various costing definitions for specific pay periods. As one costing override ends, an added override begins, etc. If you do an override and the original change did not have an end date, you must add and end date before you submit.

8) Click **Submit**. The **Process Successfully Completed** page displays. No approval is needed.