Office of Financial Compliance for Research
Instruction Guide
Retroactive Salary Increases – Union Faculty– October 2022

Note: These instructions were developed in FY 2023 when the salary cap was \$203,700. The **instructions use October as the retroactive pay month** that includes the retroactive increase for September for 8 month faculty and July, August and September for 12 month faculty. The coding changes should be completed on the September-December period.

If your employee received a retroactive salary increased paid out in **September** please refer to the original Retroactive Salary Increase instructions on our website.

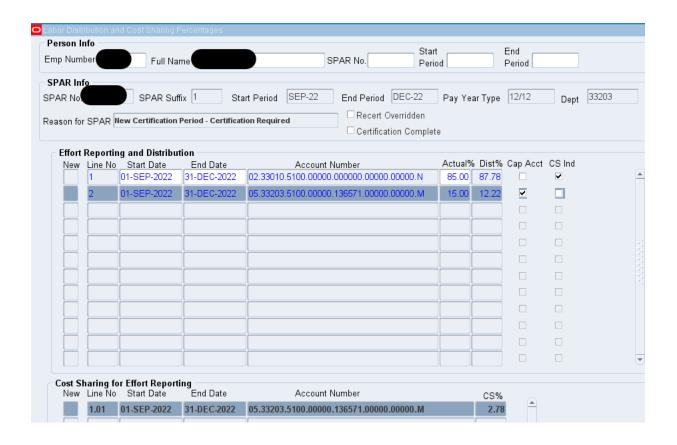
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SCENARIO 1: If the annual salary is above the salary cap both before and after the increase in annual salary and the retroactive increase occurs mid-way through an effort period of performance, the affected SPAR must be modified. The steps below must be followed to ensure appropriate MCS reporting for the retroactive salary increase. **Prior to beginning the SPAR modification**, the Retroactive Salary Adjustment Template should be completed to prevent timing out of the SPAR system. Please be aware, this template has been modified to accommodate retroactive adjustments of varying lengths. For the October increase for 8 month faculty, you must enter '1' in cell B24, and for 12 month faculty you must enter '3' in cell B24 to indicate the number of months of retro adjustment.

A. Original SPAR

The beginning SPAR will reflect the salary distribution based on the previous annual salary of \$250,000. See the Cost Sharing Template calculation below confirming the Mandatory Cost Sharing (MCS) percentages at the \$250,000 rate.



Nandatory Cost Shar	ring				Enter current DHH	IS
		Effective Salary Cap		203,700.00		
					or other sponsor of	ap.
		Faculty Member:	Faculty A			
<u>lculation</u>						
_		Percentage FTE:	1.00			
250,000.00						
		Effective Allowable 5	Salary Rate	81.48%		
12						
250,000.00						
1.00						
250,000.00						
-						
250,000,00						
250,000.00						
			Allesselle		Na the base the	na
	D			D		Monthly Salary
						Dollars
					•	Charged to
	Ептогт %		Award	%	Department	Grant
	15 00%		12 22%	2 70%	570 17	2,545.83
	15.00%		12.22/0	2.7070	3/3.1/	2,343.65
	250,000.00 12	250,000.00 12 250,000.00 1.00 250,000.00	Effective Salary Cap Faculty Member: 250,000.00 Effective Allowable 9 12 250,000.00 1.00 250,000.00 Proposed/ Actual Effort %	Effective Salary Cap Faculty Member: Faculty A Salary Rate Faculty A	Effective Salary Cap	Effective Salary Cap Faculty Member: Faculty A Column

B. September Effort Reporting – Record MCS using the former annual salary for the month of September only

1. For all regular lines in the Effort Reporting and Distribution section with a 1-SEP-2022 start date, change the end date to 30-SEP-2022.



2. For all joint lines in the Cost Sharing for Effort Reporting section with a 1-SEP-2022 start date, change the end date to 30-SEP-2022.



3. For cap accounts, the Dist% should remain the same and should match the cost share template using the former annual salary.

C. October Effort Reporting – Record MCS at New Annual Salary and add additional R lines to account for retroactive pay received in October

1. Create regular cost share recipient line in the Effort Reporting and Distribution section for 1-OCT-2022 through 31-OCT-2022.



- 2. Using the values from the completed <u>Retroactive Salary Adjustment Template</u>, create the new regular 'M' and 'R' October lines for each of the regular Cap account SPAR lines changed in the previous step.
 - The October 'M' line Actual percentages are found under the template column K heading "Month of Retro Pay 'M' Line Actual Effort".
 - The October 'M' line Actual percentages are found under the template column L heading "Month of Retro Pay 'R' Line Actual Effort/Cost Sharing %".
 - See highlighted on Retro template below.



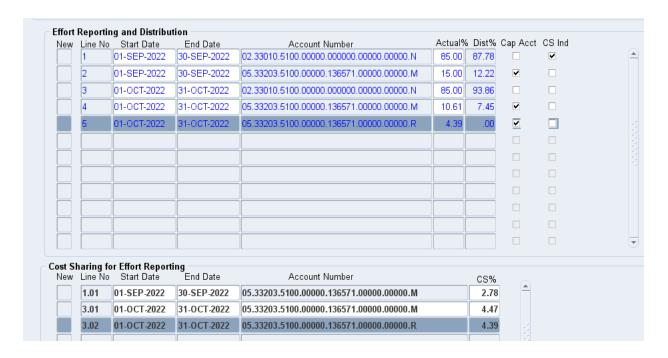
136571		15.00%		7.45%	7.55%	10.53%	4.47%		10.61%	4.39%
Proposal/Award #		Effort %		Award	Sharing %	Award	Sharing %		Actual Effort	Sharing %
		Actual		Distribution to	Required Cost	Distribution to			Pay 'M' Line	Effort/Cost
		Proposed/		Effort		Effort			Month of Retro	Actual
				Allowable		Allowable				Pay 'R' Line
				Maximum						Month of Retro
				MCS - Month	of Retro Pay	MCS - All Subse	equent Months	İ		
			Jaiai y Fius Retro Anni	Janzeu IOI IVICS	410,000.00		in updat	ing S	SPAR lines.	
			Salary Plus Retro Annu	unlized for MCS	12.00 410.000.00	INO				guidance
					40.05	No	to: Soo SDAI	R Da	tail tab for g	uidance
			Total Salary Paid Includ	ding Retro	34,166.67					
# of Months of Retro Adj	3.00		Retro Increase Include	d in Pay	10,000.00					
			New Monthly Salary		24,166.67					
ATTIOUTECU IDS	410,000.00		monthly mercuse		0,555.55					
Annualized IBS	410.000.00		Monthly Increase		3,333,33					
Administrative Supplements			Amount of Annual II	ncrease	12.00					
Administrative Supplements	. •		Amount of Annual I		40,000.00					
Annualized Salary @ 1 FTE	410,000.00		Former Annual Salary		250,000.00					
Percentage FTE	1.00		New Annual Salary		290,000.00					
Annualized Salary	410,000.00		Month of Pay IBS Calcu	<u>ulation</u>						
Length of Contract	12									
			Effective Allowable 9	Salary Rate	49.68%	70.24%				
Contract Salary	410,000.00				Retro Month	Regular Salary				
ilistitutional base salary (ibs) calc	ulation		Percentage FTE:	1.00						
Institutional Base Salary (IBS) Calc	lation		Faculty Member:	Faculty A						
Instruction Guide										
DHHS Awards			Effective Salary Cap		203,700.00					
Retroactive Salary Adjustment Te	mplate									
NIVERSITY OF PITTSBURGH										

- 3. If you have any other Regular lines (non-DHHS cap accounts), create October lines on the SPAR at this time.
- 4. Create associated cost share (joint) lines required for all new regular 'M' and 'R' lines.
 - MCS will be calculated automatically for the cost share 'M' lines using the Calc MCS button.
 - Cost share 'R' joint lines will have CS% equal to Actual% on the regular 'R' lines.

3.01	01-OCT-2022	31-0CT-2022	05.33203.5100.00000.136571.00000.00000.M	4.47	
3.02	01-OCT-2022	31-0CT-2022	05.33203.5100.00000.136571.00000.00000.R	4.39	

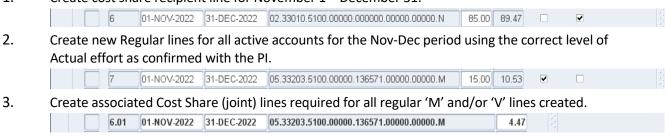
- 5. Click Refresh Shared Pcts button in Cost Sharing for Effort Reporting section.
- 6. Click Refresh/New Pcts button in the Effort Reporting and Distribution section to confirm the October Actual and Dist% columns are 100%.

The October regular and cost share lines have been created to record correct MCS incorporating the retroactive salary increase and the new annual salary values.



D. November-December Effort Reporting – Record MCS at New Annual Salary

1. Create cost share recipient line for November 1 – December 31.



- 4. The system will automatically calculate MCS using the new annual salary (the cost sharing template can be used to confirm system calculations).
- 5. Click Refresh/New Pcts button in the Effort Reporting and Distribution section to confirm the November and December Actual and Dist% columns are 100%.

30-SEP-2022 30-SEP-2022 31-OCT-2022 31-OCT-2022 31-OEC-2022 31-DEC-2022	02.33010.5100.00000.00000.00000.00000.N 05.33203.5100.00000.136571.00000.00000.M 02.33010.5100.00000.000000.00000.00000.N 05.33203.5100.00000.136571.00000.00000.M 05.33203.5100.00000.136571.00000.00000.R	85.00 15.00 85.00 10.61 4.39 85.00	92.55 7.45 .00	V	> >	
31-OCT-2022 31-OCT-2022 31-OCT-2022 31-DEC-2022	02.33010.5100.00000.000000.00000.00000.N 05.33203.5100.00000.136571.00000.00000.M 05.33203.5100.00000.136571.00000.00000.R 02.33010.5100.00000.000000.000000.00000.N	85.00 10.61 4.39	92.55 7.45 .00		•	
31-OCT-2022 31-OCT-2022 31-DEC-2022	05.33203.5100.00000.136571.00000.00000.M 05.33203.5100.00000.136571.00000.00000.R 02.33010.5100.00000.000000.00000.00000.N	10.61	7.45	•		
31-OCT-2022 31-DEC-2022	05.33203.5100.00000.136571.00000.00000.R 02.33010.5100.00000.000000.00000.00000.N	4.39	.00			
31-DEC-2022	02.33010.5100.00000.000000.00000.00000.N			~		
		85.00	90.47			
31-DEC-2022			09.47		✓	
	05.33203.5100.00000.136571.00000.00000.M	15.00	10.53	•		
ti	ing		ina			

- E. Special Case September Actual effort has already been updated by SPAR user prior to following these instructions or a change in September Actual effort is required.
 - 1. September MCS should be calculated at the old annual salary value (September pay annualized) limited by the DHHS salary cap.
 - 2. A CAP override will need to be requested via SPARhelp@cfo.pitt.edu so that the appropriate September MCS values can be manually entered. Indicate 'Salary Cap Override' in the subject line of the email.
 - Please attach the completed <u>Cost Sharing Template</u> from Step A indicating September MCS values to be entered based on the former annual salary
 - 3. FCR will override the salary cap so that the department SPAR user can modify the September MCS percentages. Upon completion, the SPAR user must notify SPARhelp so that FCR can reinstate the salary cap.
 - 4. Please note, this must be requested within the allowable SPAR modification timeframe. 90-day requests for modifications related to the change in salary cap/retroactive increases **will not** be approved.

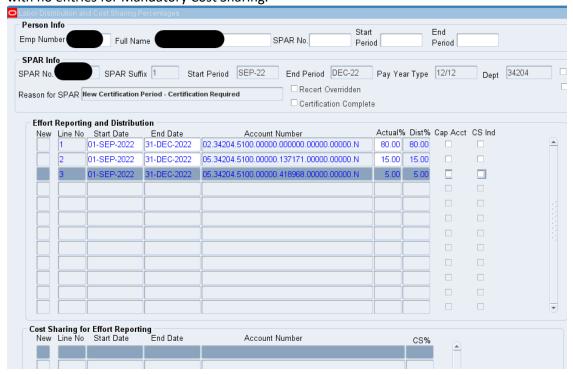
Final Note: For employees who received an increase in October, if a modification of July, August or September effort for 12 month faculty or September effort for 8 month faculty is required at any time, a CAP Override will be required to assure the cost sharing for those months is correctly reported. If you try to modify the effort in these months yourself, SPAR will calculate MCS at the new higher annual salary rate when MCS should be calculated at the lower former rate that they were actually paid during those months.

SCENARIO 2: If the annual salary is below the salary cap before and above the salary cap after the increase in annual salary and the retroactive increase occurs mid-way through a period of performance, the affected SPAR must be modified. The steps below must be followed to ensure appropriate MCS reporting for the retroactive salary increase. Prior to beginning the SPAR modification, the Retroactive Salary Adj Template-Newly Cap Eligible should be completed to prevent timing out of the SPAR system. Please be aware, this template has been modified to accommodate retroactive adjustments of varying lengths. For the October increase for 8 month faculty, you must enter '1' in cell B24, and for 12 month faculty you must enter '3' in cell B24 to indicate the number of months of retro adjustment.

Individuals who are Newly Cap Eligible (NCE) are not required to recognize MCS in the month of September because their regular salary payment did not exceed the DHHS salary cap. However, the new annual salary or IBS was updated in the PRISM application the first week of October with effective dates of July 1, 2022 for 12 month faculty and September 1, 2022 for 8 month faculty. Therefore, if SPAR modifications have been made to Actual Effort percentages on September cap account lines after the PRISM update to IBS, the SPAR application will force you to recognize MCS based on this higher IBS rate of pay. After taking the steps below to account for the retroactive pay increase in October, these SPARs will reflect MCS on September lines. See **Step E** after these steps for action to be taken to eliminate this September cost sharing.

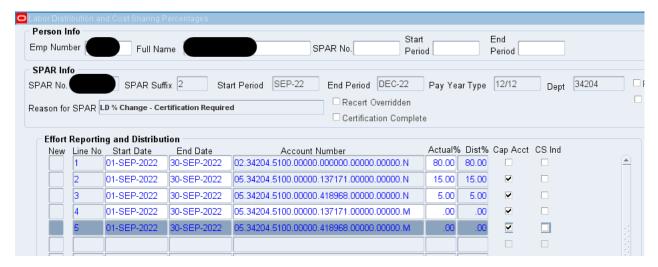
A. Original SPAR

The beginning SPAR will reflect the salary distribution based on the \$190,000 previous annual salary with no entries for Mandatory Cost Sharing.

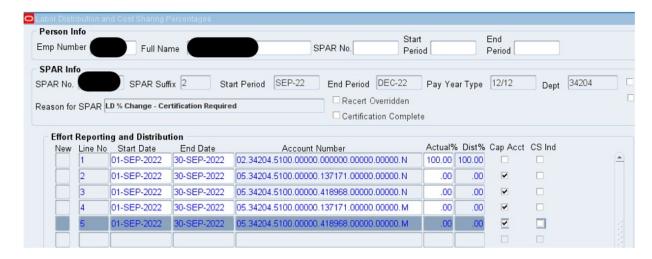


B. September Effort Reporting – Record effort with no MCS required

- 1. For all regular lines in the Effort Reporting and Distribution section with a 1-SEP-2022 start date, change the end date to 30-SEP-2022.
- 2. If there are any joint lines in the Cost Sharing and Effort Reporting section with a 1-SEP-2022 start date, change the end date to a 30-SEP-2022.
- 3. For those SPARs with Cap Accounts having an 'N' cost share code:
 - a. Create new regular line for each Cap Account with an 'M' cost share code. The SPAR cannot be saved if there is not an 'M' line for each Cap Account.
 - b. Enter 0% Actual effort percentage for each of these 'M' lines. (These lines will not require joint line(s) in the Cost Sharing for Effort Reporting section.



- 4. Save a screenshot of the SPAR when all 'M' lines have been created for use in restoring Actual effort percentages in **Step E** below during the Cap Override process. Be sure to include all lines in the screenshot, multiple screenshots may be required.
- 5. After capturing the screenshots, zero out the Actual effort percentages on all Cap Account 'N' lines and add this Actual effort to the cost share recipient account (an institutional account).
- 6. Click Refresh/New Pcts button in the Effort Reporting and Distribution section to confirm the September balances are 100% Actual and Distributed.



Result:

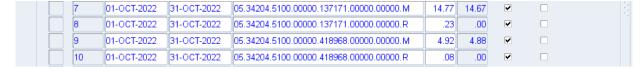
All September effort activity has been isolated on September-only lines to separately report and identify the period for which MCS does not apply and required 'M' lines have been created to enable the SPAR to be saved. Screen shots have been created to reinstate Cap Account Actual effort percentages in **Step E**.

C. October Effort Reporting – Record MCS at New Annual Salary and add additional R lines to account for retroactive pay received in October

1. Create regular cost share recipient line(s) for 1-Oct-2022 through 31-Oct-2022

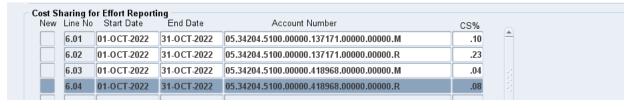
6 01-OCT-2022 31-OCT-2022 02.34204.5100.00000.00000.00000.N 80.00 80.45

- 2. Using values from the completed <u>Retroactive Salary Adj Template-Newly Cap Eligible</u>, create the new regular 'M' and 'R' October lines for each of the regular Cap account SPAR lines changed in the previous step.
 - a. October 'M' line Actual % values are found under the template column K heading "Month of Retro Pay 'M' Line Actual Effort"
 - b. October 'R' regular line Actual% values are found under the template column L heading "Month of Retro Pay 'R' Line Actual Effort/Cost Sharing %"



SCENARIO 2 - Newly Cap Eligible a UNIVERSITY OF PITTSBURGH			Effective Salary Cap		203.700.00					
Retroactive Salary Adjustment Te	emplate - Newly Can	Fligible	Annualized Retro Not	Subject to CS	41,100.00					
For Faculty Newly Over the DHHS		Lingibic	Effective MCS Base	Subject to es	244,800.00					
Instruction Guide	sular y cup		Effective Med base		244,000.00					
mstraction datac			Faculty Member:	Faculty B						
Institutional Base Salary (IBS) Calc	rulation		racticy inclineer.	racuity b						
ilistitutional base salary (163) calc	<u>.uiatioii</u>		Percentage FTE:	1.00						
Computed Contract Salary	250,000.00		r crecitage r re.	1.00	Retro Month	Regular Salary				
computed contract salary	250,000.00		Effective Allowable S	alary Rate	97.92%	99.37%				
Length of Contract	12		Lifective Allowable 3	odial y Nate	37.3270	33.3776				
Length of Contract	12		Month of Pay IBS Calcu	ulation						
Annualized Salary	250,000.00		New Annual Salary	<u>nation</u>	205,000.00					
Annualized Salary	250,000.00		New Annual Saidry		205,000.00					+
Percentage FTE	1.00		Former Annual Salary		190.000.00					
Percentage FIE	1.00		Former Annual Salary		190,000.00					_
Annualized Salary @ 1 FTE	250.000.00		Monthly Cap rate		16,975.00					
Annualized Salary @ 1 FTE	250,000.00		Former Monthly Salar		15,833.33					
Administrative Supplements	- '		Increase Not Subject t	o Cost Sharing	1,141.67					
					3					
Annualized IBS	250,000.00		Retro Adj in Pay Not S	ubject to MCS	3,425.00					
			New Monthly Salary		17,083.33					
# of Months of Retro Adj	3		Plus Retro Increase Inc	duded in Pay	3,750.00					
			Total Salary Paid Includ	ling Retro	20,833.33					
						Note: S	ee SPAR De	tail t	ab for guid	ance
					X 12	i	n updating S	PAR	lines.	
			Salary Plus Retro Annu	ualized for MCS	250,000.00					
				MCS - Month	of Retro Pay	MCS - All Subse	equent Months			
				Maximum						Month of Retro
				Allowable		Allowable		ı		Pay 'R' Line
		Proposed/		Effort		Effort		ı	Month of Retro	
		Actual		Distribution to	Required Cost	Distribution to	Required Cost	ı	Pay 'M' Line	Effort/Cost
December 1 / Account #						1		ı		
Proposal/Award #		Effort %		Award	Sharing %	Award	Sharing %		Actual Effort	Sharing %
107171		15.000/		14.500/	0.220/	14.000/	0.100/		4 4 770	0.22
137171		15.00%		14.68%	0.32%	14.90%	0.10%		14.77%	6 0.239
418968		5.00%		4.89%	0.11%	4.96%	0.04%		4.92%	6 0.089

- 3. If you have any other Regular lines (non-DHHS cap accounts), create October lines on the SPAR at this time.
- 4. Create associated cost share (joint) lines required for all new regular 'M' and 'R' lines. Create associated cost share



- a. MCS will be calculated automatically for the cost share 'M' lines using the Calc MCS button.
- b. Cost share 'R' joint lines will have CS% equal to Actual% on the regular 'R' lines.
- 5. Click Refresh Shared Pcts button in Cost Sharing for Effort Reporting section.
- 6. Click Refresh/New Pcts button in the Effort Reporting and Distribution section to confirm the October Actual and Dist% columns are 100%.

Result:

The October regular and cost share lines have been created to record correct MCS incorporating the retroactive salary increase and the new annual salary values.

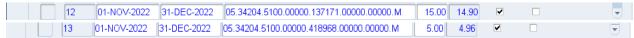


D. November-December Effort Reporting – Record MCS at New Annual Salary

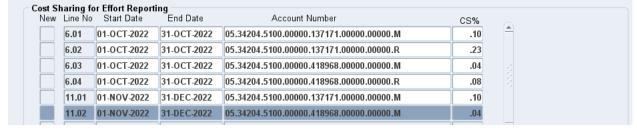
1. Create cost share recipient line(s) for 1-NOV-2022 through 31-DEC-2022.



2. Create new Regular lines for all active accounts for the Nov-Dec period using the correct level of Actual effort as confirmed with the PI.



3. Create associated cost share (joint) lines required for all regular 'M' and/or 'V' lines.

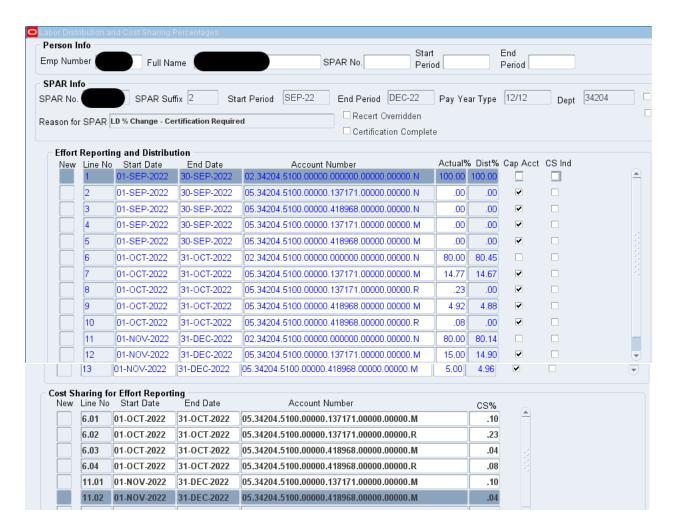


- 4. The system will automatically calculate MCS using the new annual salary (the <u>Cost Share Template</u> can be used to confirm system calculations).
- 5. Click Refresh/New Pcts button in the Effort Reporting and Distribution section to confirm the November and December Actual and Dist% columns are 100%.

Result:

All required accounts and related cost share lines for November 1 – December 31 have been created. MCS has been correctly calculated using new annual base salary and current DHHS salary cap.

At this point, save the SPAR. You have completed the SPAR revision to properly reflect the October retroactive salary increase payment. Step E is required to properly reflect Actual effort percentages on the September Cap Accounts.



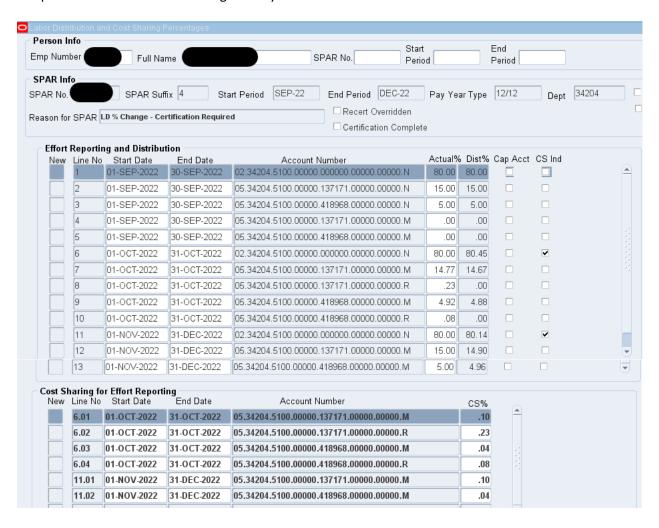
E. September Effort – for SPARs reflecting 'M' lines in September for those employees who are Newly Cap Eligible (NCE)

- Actual Effort for all September Cap Accounts has been zeroed out to prevent calculation of MCS on the new Annual Salary amount that was not paid until October. A cap override is necessary to reinstate these Actual effort percentages to properly reflect sponsored activities with no associated cost sharing.
- 2. Send an email to SPARhelp@cfo.pitt.edu to request the cap override. Indicate 'NCE Salary Cap Override' in the subject line of the email.
- 3. The following documents should be included in the email:
 - a. a screenshot of the SPAR (created in Step B) with the request identifying all September grant lines and the corresponding Actual effort values to be reinstated and the Actual effort value for the cost share recipient line
 - b. the completed Retroactive Salary Adj Template-Newly Cap Eligible used for the steps above
- 4. FCR will confirm the NCE status of the employee and override the salary cap. The department SPAR user will modify the necessary Actual effort percentages. Upon completion of the SPAR updates, the

- SPAR user must notify SPARhelp so that FCR can reinstate the salary cap. There will be no MCS recorded for these Cap Accounts in the month of September.
- 5. **Please note**, this must be requested within the allowable SPAR modification timeframe. 90-day requests for modifications related to the change in salary cap/retroactive increases **will not** be approved.

Result:

Effort will be recognized on September Cap Account lines with no corresponding MCS since the salary paid in September was below the DHHS salary cap. MCS required on the retroactive salary payment for September but paid in October has been recognized by created October R lines.



Note: Any subsequent SPAR modification after this initial override process is completed will require a CAP Override.

Scenario 3: For employees who have an Annual Salary below the DHHS salary cap both before and after the current increase; however, retroactive pay distributed in October causes the October-only pay to be over the allowable monthly cap (\$16,975 for cap of \$203,700), no action is required.

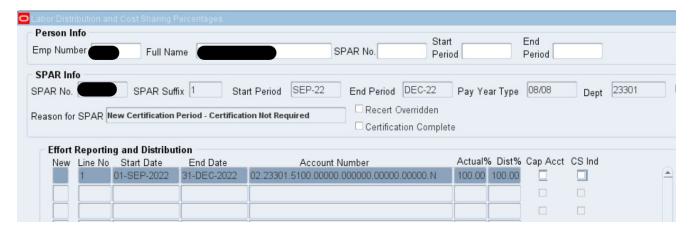
No October cost sharing is needed in this scenario because the distribution of the retroactive salary increase represents payment of deferred salary. Payment of salary deferrals is not considered in the determination of Institutional Base Salary for purposes of computing mandatory cost sharing related to the DHHS salary cap. And, because the employee's new Annual Salary does not exceed the salary cap, there is no need to compute cost sharing for the months of July - October when the retroactive increase was earned.

Scenario 4: For 8 month employees with an Annual Salary above the DHHS salary cap prior to the current increase whose Sep-Dec SPARs were created with 100% on the department organizational account.

8 month employees who are over the cap, who received salary increases in October (retroactive to Sept 1) and whose beginning Sep-Dec SPAR have only the organizational account listed on the SPAR will require special attention. These employees are required to recognize MCS in September at their former salary rate. However, the new annual salary or IBS was updated in the PRISM application the first week of October with an effective date of September 1, 2022 for 8 month faculty. Therefore, when SPAR modifications are made to Actual Effort percentages on September cap account lines after the PRISM update to IBS, the SPAR application will force you to recognize MCS based on this higher IBS rate of pay. After taking the steps below to account for the retroactive pay increase in October, these SPARs will reflect MCS on September lines. See **Step E** after these steps for action to be taken to correctly record MCS in September based on the former pay rate.

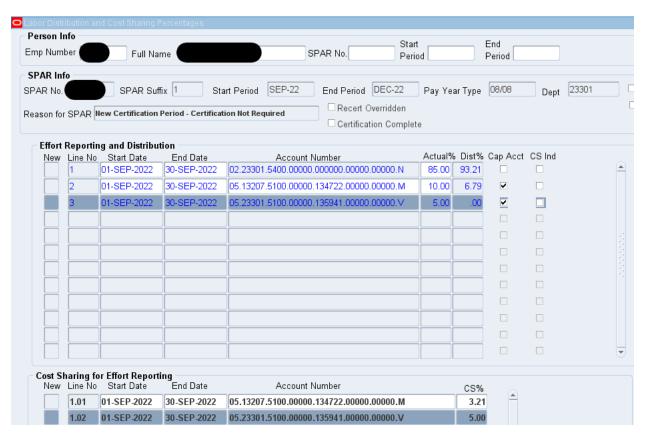
A. Original SPAR

Sep-Dec SPARs created by the system for less than annual faculty will default to a single 100% effort line to the organizational department account.



B. September Effort Reporting – Record effort distribution with M lines

- 1. Enter regular lines in the Effort Reporting and Distribution section with a 1-SEP-2022 start date and 30-SEP-2022 end date to record the correct distribution.
 - If you plan to use the existing department 02 account to record effort distribution or cost sharing, change the end date on line 1 to 30-SEP-2022
- 2. Enter joint lines in the Cost Sharing for Effort Reporting section with a 1-SEP-2022 start date and 30-SEP-2022 end date.



- 3. The September 'M' line(s) entered on the SPAR have MCS calculated using the new, higher annual salary. Since the employee was paid at the former annual salary for the month of September, their MCS must be calculated at the rate of pay they received in that month.
 - You will need to complete the regular <u>Cost Sharing Template</u> for any 'M' lines using the former annual salary (the pay they received in the month of September) to determine the MCS required. Save this template.

DHHS Awards			Effective Salary Cap		203,700.00	salary cap of \$203 or other sponsor of	
			Faculty Member:	Faculty C			
Institutional Base Salary (IBS) Ca	alculation		,				
			Percentage FTE:	1.00			
Contract Salary	190,000.00						
			Effective Allowable	Salary Rate	71.47%		
Length of Contract	8						
Annualized Salary	285,000.00						
Percentage FTE	1.00						
Annualized Salary @ 1 FTE	285,000.00						
Administrative Supplements	- 1						
Annualized IBS	285,000.00						
		Proposed/		Allowable Effort	Required	Monthly Cost Share Dollars	Monthly Salary Dollars
Proposal/Award #		Actual Effort %		Distribution to Award	Cost Sharing %	Charged to Department	Charged to Grant
134722		10.00%		7.14%	2.86%	679.25	1,695.75

4. Please refer to **Step E** which explains the Cap Override process that will be required to update the September MCS using the completed Cost Sharing Template.

Result:

All September effort activity has been recorded. Cost sharing template has been completed for use in Step E to record September MCS at correct rate.

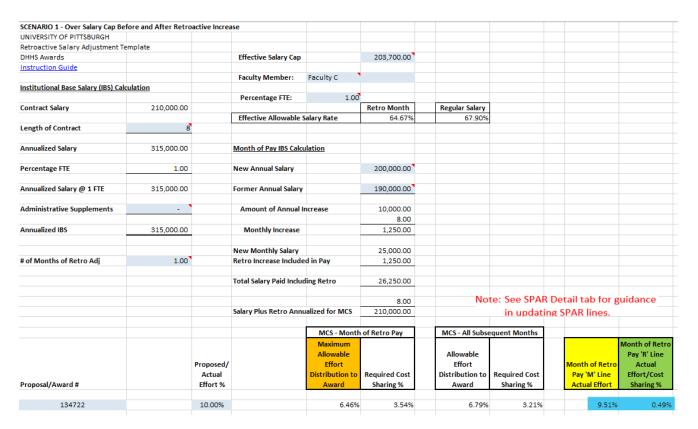
C. October Effort Reporting - Record MCS at New Annual Salary and add additional R lines to account for retroactive pay received in October

1. Create regular cost share recipient line(s) for 1-OCT-2022 through 31-OCT-2022



- **2.** Using values from the completed <u>Retroactive Salary Adjustment Template</u>, create the new regular 'M' and 'R' October lines for each of the regular Cap account SPAR lines changed in the previous step.
 - The October 'M' line Actual percentages are found under the template column K heading "Month of Retro Pay 'M' Line Actual Effort".
 - The October 'M' line Actual percentages are found under the template column L heading "Month of Retro Pay 'R' Line Actual Effort/Cost Sharing %".
 - See highlighted on Retro template below.

5	01-OCT-2022	31-OCT-2022	05.13207.5100.00000.134722.00000.00000.M	9.51	6.45	~	
6	01-OCT-2022	31-OCT-2022	05.13207.5100.00000.134722.00000.00000.R	.49	.00	~	



3. If you have any other Regular lines (non-DHHS cap accounts or V lines), create October lines on the SPAR at this time.



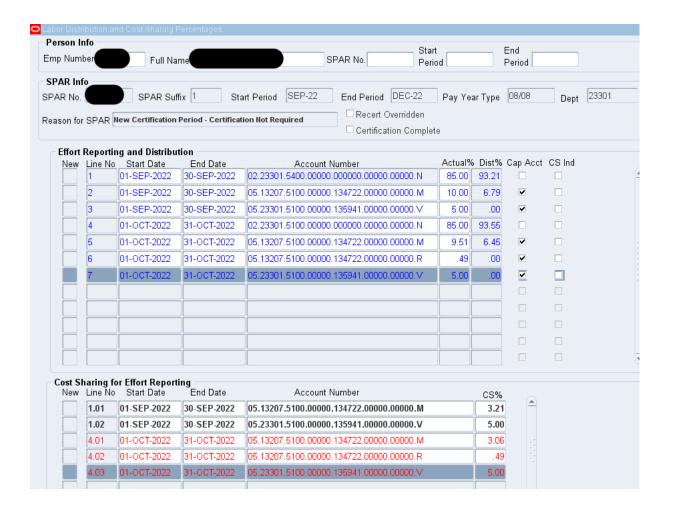
4. Create associated cost share (joint) lines required for all new regular 'M', 'R' and/or 'V' lines.

4.01	01-OCT-2022	31-0CT-2022	05.13207.5100.00000.134722.00000.00000.M	3.06
4.02	01-OCT-2022	31-0CT-2022	05.13207.5100.00000.134722.00000.00000.R	.49
4.03	01-0CT-2022	31-0CT-2022	05.23301.5100.00000.135941.00000.00000.V	5.00

- 5. Click Refresh Shared Pcts button in Cost Sharing for Effort Reporting section.
- 6. Click Refresh/New Pcts button in the Effort Reporting and Distribution section to confirm the October Actual and Dist% columns are 100%.

Result:

The October regular and cost share lines have been created to record correct MCS incorporating the retroactive salary increase and the new annual salary values.

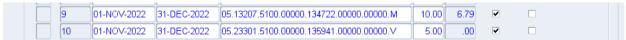


D. November-December Effort Reporting

1. Create cost share recipient line for November 1 – December 31.



2. Create new Regular lines for all active accounts for the Nov-Dec period using the correct level of effort as confirmed with the PI.

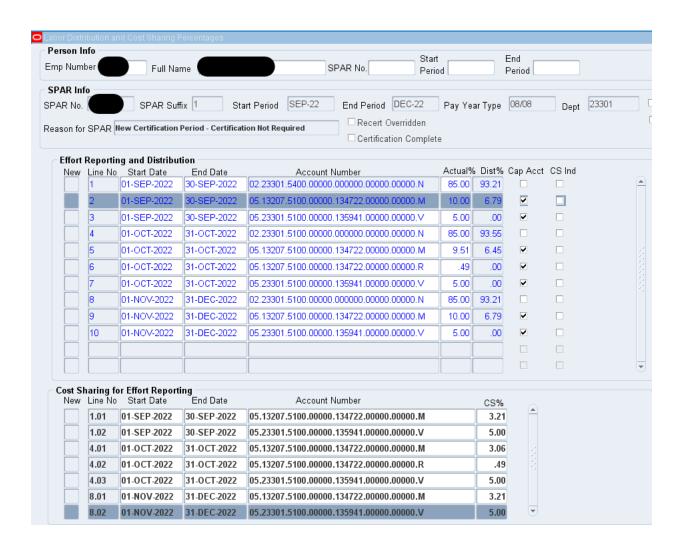


3. Create associated Cost Share (joint) lines required for all regular 'M' and/or 'V' lines created.



4. The system will automatically calculate MCS using the new annual salary (the cost sharing template can be used to confirm system calculations).

5. Click Refresh/New Pcts button in the Effort Reporting and Distribution section to confirm the November and December Actual and Dist% columns are 100%.



Result:

All required accounts and related cost share lines for November 1 – December 31 have been created. MCS has been correctly calculated using new annual base salary and current DHHS salary cap.

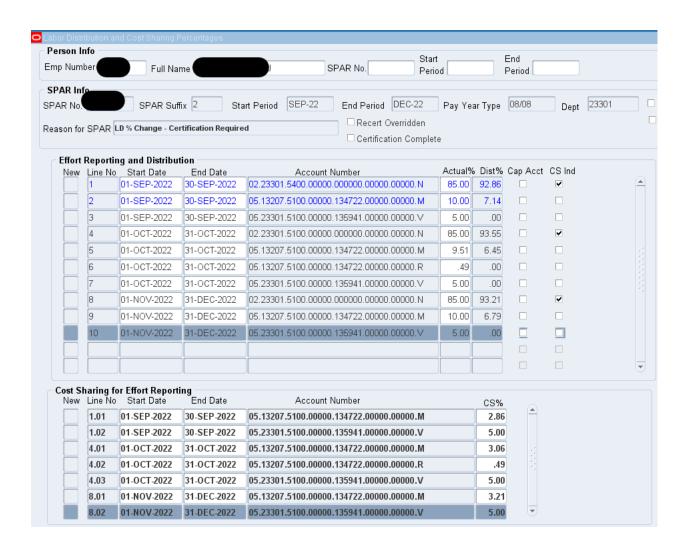
At this point, save the SPAR. You have completed the SPAR revision to properly reflect the October retroactive salary increase payment. Step E is required to properly reflect Actual effort percentages on the September Cap Accounts.

E. Record September MCS at Former Annual Salary - Cap Override Required

- 1. September MCS should be calculated at the old annual salary value (September pay annualized) limited by the DHHS salary cap.
- 2. A CAP override will need to be requested via SPARhelp@cfo.pitt.edu so that the appropriate September MCS values can be manually entered. Indicate 'Salary Cap Override' in the subject line of the email.
 - Please attach the completed <u>Cost Sharing Template</u> from Step B indicating September MCS values to be entered based on the former annual salary
- 3. FCR will override the salary cap and the department SPAR user will modify the September MCS percentages. After the September MCS has been updated, the SPAR user must reply to SPARhelp that the SPAR has been modified and FCR will reinstate the salary cap.
- F. Please note, this must be requested within the allowable SPAR modification timeframe. 90-day requests for modifications related to the change in salary cap/retroactive increases **will not** be approved.

Result:

September Cap Account lines will have MCS recorded using the former annual salary rate since that is the salary they received in the month of September. MCS required on the retroactive salary payment for September but paid in October has been recognized by created October R lines.



Final Note: For faculty who received an increase in October, if a modification of July, August or September effort for 12 month faculty or September effort for 8 month faculty is required at any time, a CAP Override will be required to assure the cost sharing for those months is correctly reported. If you try to modify the effort in these months yourself, SPAR will calculate MCS at the new higher annual salary rate when MCS should be calculated at the lower former rate that they were actually paid during those months.

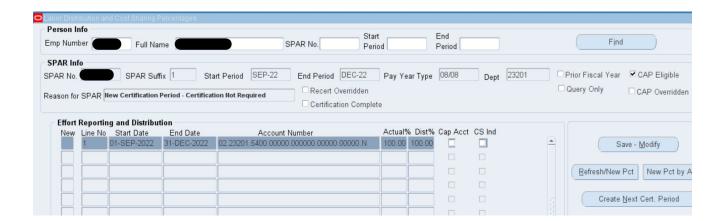
<u>Scenario 5:</u> For I8 month mployees with an Annual Salary below the DHHS salary cap prior to the current increase but with an Annual Salary above the DHHS salary cap after the current increase whose Sep-Dec SPARs were created with 100% on the department organizational account.

If the annual salary is below the salary cap before and above the salary cap after the increase in annual salary and the retroactive increase occurs mid-way through a period of performance, the affected SPAR must be modified. The steps below must be followed to ensure appropriate MCS reporting for the retroactive salary increase. Prior to beginning the SPAR modification, the Retroactive Salary Adj Template-Newly Cap Eligible should be completed to prevent timing out of the SPAR system. Please be aware, this template has been modified to accommodate retroactive adjustments of varying lengths. For the October increase for 8 month faculty, you must enter '1' in cell B24 to indicate the number of months of retro adjustment.

Individuals who are Newly Cap Eligible (NCE) are not required to recognize MCS in the month of September because their regular salary payment did not exceed the DHHS salary cap. However, the new annual salary or IBS was updated in the PRISM application the first week of October with effective dates September 1, 2022 for 8 month faculty. Therefore, if SPAR modifications have been made to Actual Effort percentages on September cap account lines after the PRISM update to IBS, the SPAR application will force you to recognize MCS based on this higher IBS rate of pay. After taking the steps below to account for the retroactive pay increase in October, these SPARs will reflect MCS on September lines. See **Step E** after these steps for action to be taken to eliminate this September cost sharing.

A. Original SPAR

Sep-Dec SPARs created by the system for less than annual faculty will default to a single 100% effort line to the organizational department account.



B. September Effort Reporting – Record effort with no MCS required

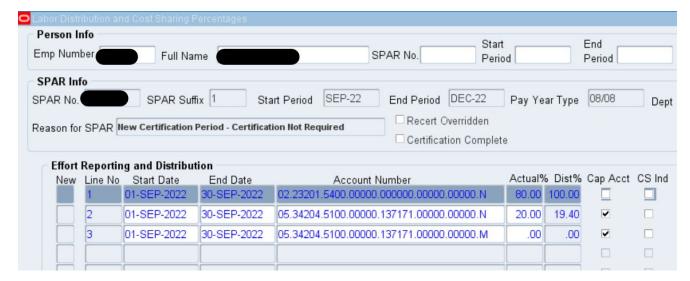
1. Enter regular lines in the Effort Reporting and Distribution section with a 1-SEP-2022 start date and end date of 30-SEP-2022 to record the correct effort distribution.



- If you plan to use the existing department 02 account to record effort, change the end date on line 1 to 30-SEP-2022.
- Any cap account line (indicated with a check box in the "Cap Acct" column) that you have entered should have 'N' cost share code as no cost sharing is required in the month of September.
- 2. For lines with Cap Accounts having an 'N' cost share code:
 - a. Create new regular line for each Cap Account with an 'M' cost share code. The SPAR cannot be saved if there is not an 'M' line for each Cap Account.



3. Enter 0% Actual effort percentage for each of these 'M' lines. Save a screenshot of the SPAR when all 'M' lines have been created for use in restoring Actual effort percentages in **Step E** below during the Cap Override process. Be sure to include all lines in the screenshot, multiple screenshots may be required.



4. After capturing the screenshots, zero out the Actual effort percentages on all Cap Account 'N' lines and add this Actual effort to an institutional account (line 1).

Effort	Reportin	g and Distribu	tion					
New	Line No	Start Date	End Date	Account Number	Actual%	Dist%	Cap Acct	CS Ind
	1	01-SEP-2022	30-SEP-2022	02.23201.5400.00000.000000.00000,00000.N	100.00	100.00		
	2	01-SEP-2022	30-SEP-2022	05.34204.5100.00000.137171.00000.00000.N	.00	.00	•	
	3	01-SEP-2022	30-SEP-2022	05.34204.5100.00000.137171.00000.00000.M	.00	.00	~	

5. Click Refresh/New Pcts button in the Effort Reporting and Distribution section to confirm the September balances are 100% Actual and Distributed.

Result:

All September effort activity has been isolated on September-only lines to separately report and identify the period for which MCS does not apply and required 'M' lines have been created to enable the SPAR to be saved. Screen shots have been created to reinstate Cap Account Actual effort percentages in **Step E**.

C. October Effort Reporting – Record MCS at New Annual Salary and add additional R lines to account for retroactive pay received in October

1. Create regular cost share recipient line(s) for 1-Oct-2022 through 31-Oct-2022



2. Using values from the completed <u>Retroactive Salary Adj Template-Newly Cap Eligible</u>, create the new regular 'M' and 'R' October lines for each of the regular Cap account SPAR lines changed in the previous step.



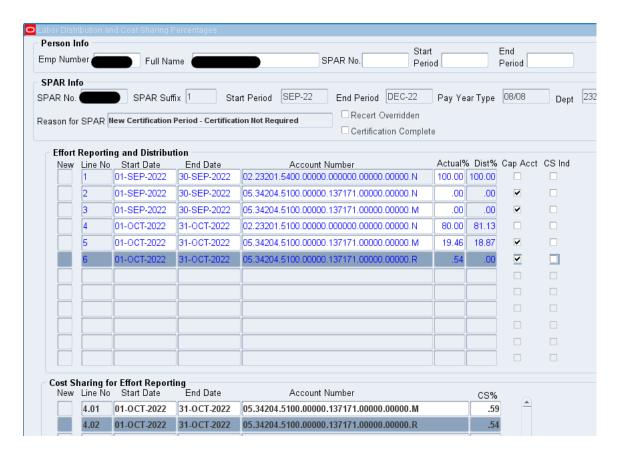
- a. October 'M' line Actual % values are found under the template column K heading "Month of Retro Pay 'M' Line Actual Effort"
- b. October 'R' regular line Actual% values are found under the template column L heading "Month of Retro Pay 'R' Line Actual Effort/Cost Sharing %"

SCENARIO 2 - Newly Cap Eligible a	fter Retroactive Inc	rease			J					
UNIVERSITY OF PITTSBURGH			Effective Salary Cap		203,700.00					
Retroactive Salary Adjustment Ter		Eligible	Annualized Retro Not	Subject to CS	8,700.00					
For Faculty Newly Over the DHHS	Salary Cap		Effective MCS Base		212,400.00					
Instruction Guide										
			Faculty Member:	Faculty D						
nstitutional Base Salary (IBS) Calcu	ulation									
			Percentage FTE:	1.00						
Computed Contract Salary	225,000.00				Retro Month	Regular Salary	1			
			Effective Allowable S	Salary Rate	94.40%	97.00%				
Length of Contract	8									
			Month of Pay IBS Calcu	ulation						
Annualized Salary	337,500.00		New Annual Salary		140,000.00					
			,		/					
Percentage FTE	1.00		Former Annual Salary		130,000.00					
Creentage 112	1.00		Torrice Armadi Salary		150,000.00					
Annualized Salary @ 1 FTE	337,500.00		Monthly Cap rate		16,975.00					
Allifuditzed Salary @ 1 FTE	337,300.00		Former Monthly Salar		16,250.00					
Administrative Supplements			Increase Not Subject t	•	725.00					
Administrative Supplements	-		increase Not Subject t	o Cost Sharing						
					1					
Annualized IBS	337,500.00		Retro Adj in Pay Not S	ubject to MCS	725.00					
			New Monthly Salary		17,500.00					
# of Months of Retro Adj	1		Plus Retro Increase Inc	duded in Pay	1,250.00					
			Total Salary Paid Includ	ling Retro	18,750.00					
						Note: S	see SPAR De	tail t	ab for guida	ance
					X 12	i i	n updating S	SPAR	lines.	
			Salary Plus Retro Annu	ualized for MCS	225,000.00		, apademy			
					,					
				MCS - Month	of Retro Pay	MCS - All Subse	equent Months			
				Maximum	oetto tuj	inco Airoubse	-quant months			Month of Retro
				Allowable		Allemekte	l			
		,				Allowable	l			Pay 'R' Line
		Proposed/		Effort		Effort			Month of Retro	
		Actual		Distribution to	Required Cost	Distribution to			Pay 'M' Line	Effort/Cost
Proposal/Award #		Effort %		Award	Sharing %	Award	Sharing %		Actual Effort	Sharing %
					onaring /c					
		2.1.0.1.7.0			J. Land					

- 3. If you have any other Regular lines (non-DHHS cap accounts), create October lines on the SPAR at this time.
- 4. Create associated cost share (joint) lines required for all new regular 'M' and 'R' lines. Create associated cost share

New	Line No	Start Date	End Date	Account Number	CS%
	4.01	01-0CT-2022	31-0CT-2022	05.34204.5100.00000.137171.00000.00000.M	.59
	4.02	01-OCT-2022	31-OCT-2022	05.34204.5100.00000.137171.00000.00000.R	.54

- a. MCS will be calculated automatically for the cost share 'M' lines using the Calc MCS button.
- b. Cost share 'R' joint lines will have CS% equal to Actual% on the regular 'R' lines.
- 5. Click Refresh Shared Pcts button in Cost Sharing for Effort Reporting section.
- 6. Click Refresh/New Pcts button in the Effort Reporting and Distribution section to confirm the October Actual and Dist% columns are 100%.

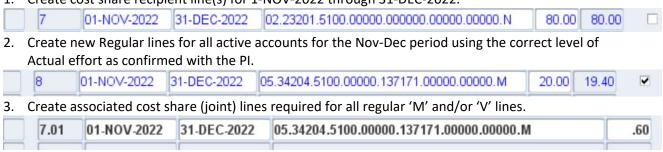


Result:

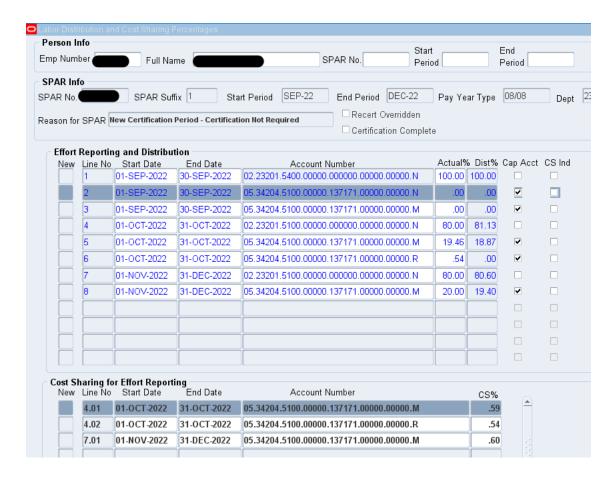
The October regular and cost share lines have been created to record correct MCS incorporating the retroactive salary increase and the new annual salary values.

D. November-December Effort Reporting – Record MCS at New Annual Salary

1. Create cost share recipient line(s) for 1-NOV-2022 through 31-DEC-2022.



- 4. The system will automatically calculate MCS using the new annual salary (the <u>Cost Share Template</u> can be used to confirm system calculations).
- 5. Click Refresh/New Pcts button in the Effort Reporting and Distribution section to confirm the November and December Actual and Dist% columns are 100%.



Result:

All required accounts and related cost share lines for November 1 – December 31 have been created. MCS has been correctly calculated using new annual base salary and current DHHS salary cap.

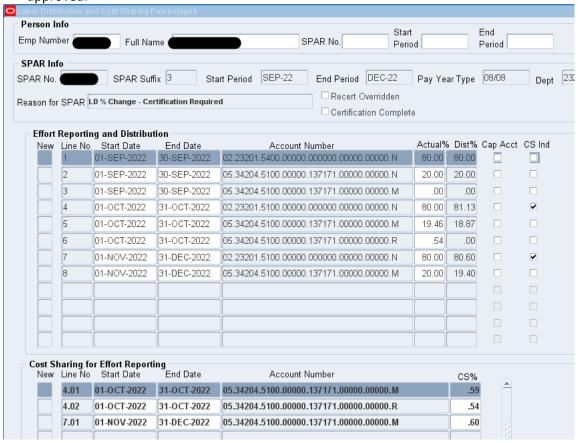
At this point, save the SPAR. You have completed the SPAR revision to properly reflect the October retroactive salary increase payment. Step E is required to properly reflect Actual effort percentages on the September Cap Accounts.

E. September Effort – for SPARs reflecting 'M' lines in September for those employees who are Newly Cap Eligible (NCE)

- Actual Effort for all September Cap Accounts has been zeroed out to prevent calculation of MCS on the new Annual Salary amount that was not paid until October. A cap override is necessary to reinstate these Actual effort percentages to properly reflect sponsored activities with no associated cost sharing.
- 2. Send an email to SPARhelp@cfo.pitt.edu to request the cap override. Indicate 'NCE Salary Cap Override' in the subject line of the email.
- 3. The following documents should be included in the email:
 - a. a screenshot of the SPAR (created in Step B) with the request identifying all September grant lines and the corresponding Actual effort values to be reinstated and the Actual effort value

for the cost share recipient line

- b. the completed Retroactive Salary Adj Template-Newly Cap Eligible used for the steps above
- 4. FCR will confirm the NCE status of the employee and override the salary cap. The department SPAR user will modify the necessary Actual effort percentages. Upon completion of the SPAR updates, the SPAR user must notify SPARhelp so that FCR can reinstate the salary cap. There will be no MCS recorded for these Cap Accounts in the month of September.
- 5. **Please note**, this must be requested within the allowable SPAR modification timeframe. 90-day requests for modifications related to the change in salary cap/retroactive increases **will not** be approved.



Result:

Effort will be recognized on September Cap Account lines with no corresponding MCS since the salary paid in September was below the DHHS salary cap. MCS required on the retroactive salary payment for September but paid in October has been recognized by created October R lines.

Note: Any subsequent SPAR modification after this initial override process is completed will require a CAP Override.