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Chapter 3. PAYROLL/LABOR COSTS

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3-01 INTRODUCTION.

NOAA payroll is processed by two external organizations. The U.S. Department of Agriculture National Finance Center (NFC) in New Orleans, Louisiana, processes the payroll for NOAA civilian employees and Bureau of Industry and Security (BIS). The U.S. Coast Guard Pay and Personnel Center (PPC) in Topeka, Kansas, processes the payroll for NOAA Corps.

After the payroll is processed, data from both the NFC and the Coast Guard is sent via electronic files to NOAA for input into the Labor Cost System, a subsidiary system of the Commerce Business System (CBS). The Labor Cost System distributes and charges payroll labor cost to NOAA and BIS organizations, projects, task codes, and object classes.

The purpose of this chapter is to describe the processing of the CBS Labor Cost System.

3-02 CIVILIAN PAYROLL.

The payroll cycle begins on Sunday and terminates on the second Saturday, following the Department of Commerce employee schedule for a two-week payroll. The payroll process for NOAA and BIS civilian employees begins at the end of each biweekly pay period when employees prepare Time and Attendance (T&A) reports.

Using personal computers and specialized timekeeping software, employees enter T&A data.

For T & A data not entered through webTA, the data is accumulated at various points for electronic transmission to NOAA Production Control in the Financial and Administrative Computing Division through the Alpha system located in Landover, Maryland.

Transmission points are able to transmit T&A data starting at 8:00 am Eastern Standard Time (EST) on Thursday prior to the end of a pay period until 9:00 pm EST on Tuesday after the close of the pay period. Production Control telecommunicates the T&A data to the NFC for processing each Friday, Monday, and Tuesday evening at the end of the pay period. Production Control also contacts any transmitter whose file has not been received and provides assistance as needed to ensure data is received by the NFC deadline.

3-03 NFC PAYROLL ACCOUNTING TRANSACTION FILE.

The NFC processes the payroll and produces a payroll accounting transaction file which is sent to Production Control for loading on the CBS server for processing by the Funds Management Branch (FMB). Production Control receives a payroll file on a weekly basis because the NFC processes adjustments from corrected T&As and other pay actions between pay periods. The main payroll accounting transaction file of the pay period contains about 98% of the payroll accounting data.

1. Records Types

The NFC payroll accounting transaction file includes the following types of records:

a. Payroll Accounting System (PACS)--payroll accounting data that is processed into CBS Labor Cost System on a biweekly basis.

b. Administrative Billing and Collection (ABCO)--accounting for employee indebtedness entered into CBS monthly at summary level.

c. Miscellaneous Payment (MISC)--miscellaneous payroll payments or adjustments entered into CBS monthly at summary level.

d. Corrections, Adjustments, and Payments (CAPS)--payroll adjustments not included in MISC records entered into CBS monthly at summary level.

2. Data Conversion

The NFC payroll accounting transaction file includes raw data such as object classes, organization codes, and transaction codes that are formatted for the NFC system. The NFC data must be converted to an acceptable CBS format before it can be processed in the Labor Cost System.

a. Object Classes. A conversion of NFC object classes is necessary for CBS processing because the NFC uses object classes different from NOAA/BIS. Exhibit 1 contains a listing of the NFC object classes and their conversion to CBS object classes. In some cases, the CBS project code is automatically assigned based on the T&A's transaction code/object class combination, e.g., annual leave transaction codes are cross-walked to 09WLV81 project; object class 9500 is cross-walked to the Quarters Deduction project.

b. Organization Codes. The NFC 18-character numeric organization code is used in CBS. NOAA's Human Resources Information Support Office, Program and Plans Division, maintains a file of valid NOAA/BIS organizations codes and cross-references the data received from NFC.

After the NFC data is loaded into CBS, control reports are generated. FMB reviews the control reports, researches erroneous data and makes corrections. After the transactions are corrected, the payroll data is posted to the General Ledger.

3-04 PROCESSING THE CIVILIAN LABOR COST SYSTEM.

The following are steps taken in the CBS labor cost programs which process the payroll accounting data received from NFC.

1. Human Resources' (HR) Employee Interface File

Through the NFC/HR data base, a file is produced each week showing all currently active employees. This data is used to update the employee control file in CBS. If an employee (SSN) is no longer on the employee file from NFC, the employee is made inactive in CBS. If a new employee (SSN) shows up on the employee file from NFC, the employee is added to the CBS employee control file. This employee control file is used in the labor process to verify that any data coming from NFC for NOAA or BIS is for an employee who is or was a NOAA/BIS employee.

2. Notification from Production Control

Once the weekly NFC payroll file is made available by NFC, Production Control transfers the file to the CBS server and notifies FMB. As a means for control, Production Control provides FMB the following data derived from the NFC file's header/trailer fields: Julian date of file, NFC file name (the pay period being reported), transaction/record count, and total dollar amount.

3. NFC000 - Loading data from NFC

FMB retrieves the NFC file from the CBS server, verifying the data received from Production Control. FMB then loads all transactions from the NFC data file into one of the four various CBS labor cost system 'source' tables by type of record. There is a source table for each valid record type including the 'header' and "trailer" records. The four source tables are NFC_PACS, NFC_ABCO, NFC_CAPS, and NFC_MISC. When new transactions are loaded, all of the source tables are cleared of all prior transactions and FMB verifies that the file's total transaction count and total dollar amount have remained unchanged.

4. NFC00a - Roll-up Benefits

Personal benefit records (object classes 12-1x through 12-3x) are returned from NFC as multiple records for each employee.

In order to reduce storage disk space, a summary (roll-up) of benefit object classes is generated. The NFC Roll-up process control report is generated and FMB verifies that the total dollar amount remains unchanged and that the before roll-up record count less deleted records equals total record count after roll-up.

5. NFC001 - Validation

From the source tables, the summarized payroll transactions are populated into the staging tables: NFC_STAG contains PACS and ABCO records; NFC_STAG2 contains CAPS and MISC records. Except for some reporting, only the PACS transactions are processed further in this interface. (See item #9 describing the ABCO, CAPS and MISC coding procedures.) The NFC data is cross-walked to the NOAA format, as discussed earlier. The data runs through the validation process and is edited for valid organization codes, projects, and tasks. The NFC001 process will generate a control report which shows the status of the processed records in two sections, one for NOAA and one for BIS. The record status

will be classified as either "rejected" if it has errors or "validated" if it has no errors. A Staging Table Control Report (NFC632) is generated to show the total transaction and dollar amounts rejected and validated. "Rejected" transactions have an error code assigned which must be identified through a series of queries and will help in determining what action is needed.

6. NFC011 - Re-validating and Defaulting

Through a series of edits and cross-walks, the re-validation program attempts to correct rejected records identified by specific error codes. For example, an invalid task reported on a T&A and sent back on NFC's file would be changed to "P00" through this program. When the project is invalid, this program generates defaults based on the organization's established default labor project and task. The default labor project and task maintenance table is updated each fiscal year and when requested by a Line Office (LO). Required changes made to project and/or task numbers in order to validate the record are identified for the Line Office on both the LAB710 and LAB750 reports. Any transactions that are re-validated and pass all of the edits are marked ready for posting. Transactions that are re-validated and fail any edit(s) remain in rejected status on the staging table. Re-validation would be requested when changes have been made to a Core Financial System (CFS) table (e.g., an organization was added). If an organization's default project/task is invalid, the transaction will default to the overall Bureau default. The FY 2005 BIS default is 56A9202 and the NOAA default is 09WGALB.

Any transactions that do not validate at this point are researched by FMB and manually corrected using the NFC003 screen. A final Staging Table Control Report is generated and used to verify that validated PACS total dollar amounts ready for posting for NOAA and BIS agree to the total PACS dollar amount cited at the beginning of the process in NFC000.

7. NFC002 - Posting to the General Ledger

Any payroll transaction in the staging table that is marked "validated" will be used to update GJ tables and the CFS tables - Trial and Funds Control. Payroll transactions are summarized (rolled up) by ACCS and posted to the CFS tables at summary level. All of the original detail is maintained in the general journal employee table. A staging control report is produced after the posting process is complete and FMB verifies that all validated transaction count and total dollar amounts from the payroll files have been posted. The labor cost system determines which general ledger accounts to hit in the Trial Table based on

the CBS transaction codes previously set up for the object class, direct or reimbursable flag, project type and option code.

8. Surcharge/Overhead Application

Upon notification of the completion of the payroll process from FMB, the CBS staff runs the surcharge/overhead process, based on a range of general ledger transaction numbers. This range will apply surcharges and overheads to both the current payroll and any labor adjustments or summary level adjustments approved by NOAA Finance Office since the last surcharge/overhead process (or over/under process).

Surcharge templates have been established by Financial Management Center (FMC) and rates have been set up for leave surcharges and personal benefits. The leave surcharge rate is applied to object classes 11.1x through 11.3x. The leave surcharge is generated as object class 11.60 in the operating funds accounts. At the same time, an income or offset amount is created in the LO's internal fund leave project 09WL0FF.

The personal benefit rate is applied to object classes 11.1x through 11.3x and 11.60. The personal benefit surcharge is generated as object class 12.10 in the operating funds accounts.

At the same time an income or offset amount is created in the LO's internal fund leave project 09WE0FF.

The various overhead rates are also established on surcharge templates and applied against labor transactions citing object classes 11.10.00.00 to 11.99.99.99. The resulting record is a paid expenditure obligation in the operating funds account. At the same time, an income or offset amount is created in the corresponding internal fund project. This income is not displayed on the current Data Warehouse reports. The Line Office overhead is recorded in object class 77.88.00.00 with the offset amount in the LO's internal fund project 09WG0FL. The Office (FMC) overhead is recorded in object class 77.89.00.00 with the offset amount in the FMC's internal fund project 09WG0FF. The NOAA Corporate overhead is recorded in object class 77.87.00.00 with the offset amount in the internal fund project 09P10FF of NOAA Finance and Administration (NFA).

9. ABCO, MISC, CAPS, PACS 1105/1205

National Finance Center (NFC) record layouts for ABCO, MISC, CAPS and PACS object classes 1105/1205 do not provide adequate information for regular CBS processing. Since these record types are usually minor adjustments for employees or can involve employees off the NOAA rolls for several years, the data is

reported through various modules and recorded in NOAA's suspense account. A monthly summary of the individual record type is produced and coded as follows:

ABCO Receivables - established as a summary receivable on screen AR001.

ABCO Record type 2 or 4 - established as a summary receipt on screen AR006 with a deposit ticket established on screen AR007. A separate unbilled collection record will be recorded on screen AR009 for each record type and NFC object class.

CAPS - established as a summary PM041 record with a unique schedule number. The CAPS records are coded individually by NFC object class on screen PM003.

MISC - established as a summary PM041 record with a unique schedule number. The MISC records are coded individually by NFC object class on screen PM003.

PACS 1105/1205 - established as a summary PM041 record with a unique schedule number. The records are coded individually by NFC object class on screen PM003.

This process is performed after the last payroll for the month has been posted.

10. Comp/Credit Offsets

Because CFS does not automatically post an offset to the internal fund for comp time or credit hours earned, this requires a manual entry. After the last payroll for the month has posted, a query from the Trial Table produces totals by FMC. This data is used to produce a single-sided summary level transfer (SLT) which creates the "offset" record in the internal fund project code 09WL0FF, object class 1180 or 1182. The offset data is then combined with the comp/credit used in the over/under process below. This process will be automated.

11. Over/Under Process

This monthly process compares the actual obligations for an internal fund item (e.g., a specific FMC leave), with the income/offsets generated from the surcharge process and determines if additional obligations should be added or credited to the operating funds accounts. This process excludes reimbursable programs.

12. Availability of Payroll Data in Data Warehouse

Once the surcharge/overhead process has posted and the Data Warehouse has refreshed, a Labor Notification e-mail is sent notifying labor payroll users that the current payroll data is available for viewing and downloading. The following labor reports are available through the Data Warehouse:

a. LAB710 - Labor Cost Detail Report by Employee

This report reflects name of employee, pay period, hours, dollars, object class, project and task, payroll type, employee number etc. It includes current pay period data, adjustments done on the T&A's, and adjustments made by NFC (e.g., the 1% pay increase). This report includes the data as it came from NFC and does not include any detail labor adjustments.

It may also include payroll transactions that were processed late at NFC for the previous pay period (NFC calls these residue files). Although the employee may have been paid on time, the file comes in a week later and we include it on the following pay period's report. These transactions can be identified by looking at the first column. Following the schedule number, the pay period processed is shown. If this is not the current pay period, it came in as a residue for a previous pay period.

In the far right hand column of the report, any projects and/or tasks that came from NFC as invalid and were defaulted can be seen. If the labor cost is the result of a corrected T&A, it will show under the column "adj pp".

The LAB710 is used to identify 'Detail Labor Adjustments' that need to be entered and submitted to the Financial Reporting Division (FRD) in Germantown for approval. FMCs enter the detail labor adjustments and the report is sent to the FRD for approval of the adjustments.

b. LAB720 - Year-to-date Summary Labor Cost Report by Organization, Fund, Project and Task

This report shows current pay period, fiscal year YTD, and fund code fiscal year (FCFY) YTD totals for the organization selected from LAB720 screen. The report gives totals by project and task, fund code and organization. The report includes labor data (all object classes from NFC and Coast Guard), detail labor cost adjustments, applied surcharges, transactions generated when running the over/under process and summary level transfer (SLT) data (object classes 11xx, 12xx and 77xx). It is possible

for an object class to appear on the report when it is not a 'true' labor object class as reported by NFC. If a labor object class is used (e.g., transportation subsidies) in an SLT, this report will pick it up.

This report **does not** include the month-end estimates or estimate reversals and any surcharges applied to those estimates.

The current pay period totals include the LAB710 data plus surcharges.

The fiscal year totals include all transactions that were processed from Oct 1 (beginning of the fiscal year) to the current pay period. For pay period 19 which is split between FCFYs, this column would include the entire amounts for both FCFYs because it was processed in that fiscal year. The column includes labor, labor cost adjustments, applied surcharges, transactions generated from the over/under process, and SLTs.

The FCFY totals include all transactions that were processed from Oct 1 (beginning of the fiscal year) to the current pay period that have a FCFY = current fiscal year (e.g., 2005). For pay period 19 that is split, this column would include only the amounts for FCFY 2005. Although the entire file was received and processed in fiscal year 2005, the FCFY 2004 portion of the labor is not included. This column includes labor, labor cost adjustments, applied surcharges, transactions generated from the over/under process, and SLTs.

c. LAB730 - Year-to-date Summary Labor Cost Report by Organization, Program & Project

This report shows current pay period, fiscal year YTD, and fund code fiscal year (FCFY) YTD totals for the organization selected from LAB730 screen. The report gives totals by project, program code and organization. The report includes labor data (all object classes from NFC and Coast Guard), detail labor cost adjustments, applied surcharges, transactions generated when running the over/under process, and summary level transfer data (object classes 11xx, 12xx and 77xx).

The report **does not** include the month-end estimates or estimate reversals and any surcharges applied to those estimates.

The totals for the current pay period, fiscal year and fund code fiscal year contain the same information as LAB720 above.

d. LAB740 - Labor Cost Detail for Individual Employee

The Labor Cost Detail for Individual Employee includes all transactions for a selected employee within a specified fiscal year. The report can be selected by employee number or SSN. The report reflects employee number, name, organization, pay period, hours, dollars, object class, project and task, and payroll type. It includes all transactions from NFC, including T&A corrections, NFC corrections, and detail labor adjustments sent to the Financial Reporting Division (FRD) for input. It includes all transactions processed this fiscal year regardless of the FCFY (e.g., all of pay period 19, the first pay period in the fiscal year, would be included).

If an employee changed organizations, you will only be able to see the data that applied to the organizations of which you are authorized to see reports.

The report will not include surcharges, over/under numbers or summary level transfers because they are not employee specific.

e. LAB750 - NFC Labor Data Defaulted Project & Task Code

The NFC Labor Data Defaulted Project & Task Code report shows all NFC labor transactions for the selected pay period where the project and/or task were defaulted. When the project is valid and the task is invalid, the task defaults to P00. When the project is invalid, the project and task default to the organization's labor default project and task.

This report should be run each pay period and used for the following:

- inform employees who are using invalid projects/tasks
- inform timekeepers of data entry problems
- inform the budget office to add or update projects and tasks
- inform FRD if the labor default is incorrect
- identify any detail or SLT transactions that need to be completed to move the labor transaction to the correct project and task.

Note: If the default is acceptable and the transactions should remain there, no adjustment is needed.

f. LAB760 - Accepted Detail Labor Cost Adjustment Report

This report allows the user to get a list of the detailed labor adjustments that have been entered and approved. It allows the user to select a general ledger end date and org code or a range of dates and org codes. The report can also be selected for a specific project or employee and can be sorted either by employee number or project code. Totals are provided by project or employee, organization and overall grand totals.

This report could be run to verify that transactions submitted to FRD have been entered and approved.

Only detail labor cost adjustments entered on the NFC005 and NFC045 screens are included. Changes made through corrected T&As or SLTs are not included.

Depending on the selection criteria, it is very possible to see only half of the transfer. For example, if selection was by project and an adjustment was done from one project to another, you would only see one side of the adjustment.

g. LAB770 - Labor Expense Summary Report

This report reflects all components of labor charges to the Line Offices. The purpose of this report is to identify all labor-related obligations/expenses for a particular general ledger period. The amount on this report should match current month and cumulative YTD totals on the NOA118 for object classes 11xx, 12xx and 77xx. This report is generated from the NDW_AP_TRANS table and selects all records with labor flag = 'Y' or object class 11, 12, or 77.

If the object class 11xx, 12xx and 77xx do not agree with the LAB720, it most likely is because one of the labor object classes was used in another module (e.g., AP). This should be researched to determine why that object class was used.

The report includes labor data (all object classes from NFC and Coast Guard), detail labor cost adjustments, applied surcharges, transactions generated when running the over/under process, month-end estimates, the reversal of prior month-end estimates, and summary level transfer data (object classes 11xx, 12xx and 77xx). As stated above, the report will also include data with this object class from other modules.

The report shows the selected general ledger and fiscal year totals. The FY YTD column should include all transactions that were processed from Oct 1 (beginning of the fiscal year) to the selected general ledger period. For pay period 19 which is split, this column would include the entire amounts for both fund

code fiscal years because both components were processed in the new fiscal year.

h. NOA118 - Plan and Obligations Detail Report

The Plan and Obligations Detail Report is a NOAA budget report used to display budget data by the object class code. The report displays the selected month's plan, obligations, and commitments for a specific organization. In addition, the report provides cumulative year-to-date amounts through the selected month for plans, obligations, and commitments associated with a specific project.

If the object class 11xx, 12xx and 77xx do not agree with the LAB770, it is most likely because one of the labor object classes were used in another module (e.g., AP). This should be researched to determine why that object class was used.

3-05 RECONCILIATION OF CBS PAYROLL DATA TO NFC ABSTRACT OF TRANSACTIONS.

As a means of verifying all payroll costs reported to Treasury by NFC on behalf of NOAA/BIS, an in-house reconciliation is performed each month by the Funds Management Branch (FMB). By the fifth working day of the month, FMB receives NFC's Abstract of Transactions (224) for the previous month's report to Treasury. The 224 provides a summarized list by schedule number of disbursements and collections made by NFC and reported to Treasury under NOAA's appropriation. Each payroll record received from NFC cites a specific schedule number. By performing a reconciliation by schedule number, FMB verifies (1) NFC has provided payroll records to NOAA accounting for all monthly reported disbursements and collections, and (2) CBS has processed the payroll records correctly. The following procedure is used for the reconciliation process:

1. NFC025 - Processing Data for Cash Reconciliation

Once NFC's 224 is received, FMB initiates the NFC025 process to gather and summarize data from the GJ_employee, staging tables, and ABCO_archive table processed in CBS during the reporting cycle cited on the 224. This data is loaded into the NFC Payroll Interface table and is displayed by schedule number, amount, date, and total dollars.

2. NFC026 - Cash Reconciliation NFC Abstract of Transactions

Using the NFC026 screen, FMB displays the data previously

loaded from the NFC025 process and manually enters the monthly NFC 224, matching by schedule number, dollar amount and month-ending date. The schedule number is automatically flagged by a "Y" which indicates the amounts agree (reconcile), or an "N" which indicates the amounts do not agree (unreconciled). Once the manual entry of the 224 is complete, totals are generated which insures all data reported on the 224 have been entered correctly. A query is then run listing all unreconciled schedules by category--"Detail" (those schedules received through the payroll file) or "Abstract" (those schedules manually entered from the 224). An average monthly NFC 224 contains 140 schedule numbers with an average 20 schedules remaining unreconciled.

Because NFC uses different schedule combinations for reporting to Treasury than those sent on the payroll file for certain types of disbursements, there will always be entries that will not reconcile automatically, e.g., schedule "443311" on the Detail payroll file is reported to Treasury on the Abstract as "4R7689". One schedule number cited on the 224 can comprise several schedules reported on the payroll file.

3. NFC027 - Cash Reconciliation Close Unreconciled

FMB runs several queries to display all records reported under a particular schedule number. By analyzing the remaining unreconciled data, comparing amounts and dates, FMB determines which schedule numbers can be manually reconciled. Through the NFC027 screen, FMB flags the "Abstract" schedule and corresponding "Detail" schedule with a "Y" and notes how they are used in the reconciliation. A final query is run producing a list of all unreconciled schedule numbers. This data will be reported on the Cash Reconciliation with NFC as schedules "In Transit".

4. Process NFC65x Reports

After the reconciliation for the month is complete, a series of reports are produced:

NFC650 - Cash Reconciliation/Cash Disbursement - displays by bureau, fund code, FCFY the various types of disbursements for the month.

NFC651 - NFC Reported to Treasury vs. CFS - displays by bureau, appropriation symbol, and fund code the monthly payroll disbursements posted to GL and amount "In Transit".

NFC652 - NFC Reported to Treasury vs. Source Tapes from NFC - displays by appropriation symbol and compares totals

reported on NFC Abstract to totals processed from NFC payroll files.

NFC653 - NFC Abstract vs. CFS Cash Disbursements - displays by appropriation symbol totals from NFC abstract vs. various types of pay disbursements from payroll file (e.g., payroll, ABCO, CAPS, etc.).

NFC654 - NFC Source Data vs. CFS - displays by fund code and verifies that all data from NFC payroll file (source tapes) have been recorded in CFS for the month.

5. Cash Reconciliation with NFC and 6653

Once the "In Transit" (unreconciled) schedule numbers and amounts have been determined, FMB runs several queries summarizing the month's payroll costs by payroll batch date and pay record type. This data is entered in an Excel spreadsheet and compared to NFC's 6653 (Treasury) monthly disbursement. The previous month's "In Transit" amount is identified separately and verified as recorded and reported properly.

3-06 MONTH-END ACCRUAL (ESTIMATE) FOR NOAA/BIS PAYROLL ACCRUAL.

Labor cost accruals are estimates of civilian labor costs that have been incurred but not paid or not processed by the labor cost system. Because NOAA Corps is paid without a delay in the reporting cycle, no accrual estimates are required. Monthly civilian labor cost accruals are necessary because

1. days remain at the end of the month for which the payroll has been earned but not paid, and/or

2. the payroll accounting data from one full pay period has not been received from the NFC and has not been processed into the labor cost system.

Accrued labor costs are recorded in CBS, summarized in the general ledger, and reported in various CBS reports. The month-end accrual program generates a record of the estimate at detail employee level and a record for the reversal of the estimate. FMB reverses the accrual the beginning of the following month.

1. Labor Cost Processing Schedule. The process of accounting for labor cost accruals begins when FMB completes a Labor Cost Processing Schedule for the entire fiscal year by month.

The following factors are used in determining the month-end accrual period:

- a. biweekly pay period numbers and dates
- b. holidays
- c. accrual dates
- d. regular and adjusted accrual rates.

2. Definitions

a. The **base period** is typically the last full pay period for which the NFC payroll data has been received and processed into the labor cost system. Base period payroll records are used for estimating the amount of the labor cost for the remaining days in the month for which no data has been received or processed.

b. The **accrual period** is the period remaining to month-end for which payroll data has not been processed. The accrual period is usually comprised of a full pay period and several days at month-end.

3. Labor Cost Accrual Rates

To estimate the labor cost accrual, FMB calculates two labor cost accrual rates which are applied to payroll records from the base period. The following are the two labor cost accrual rates which are calculated, depending on their object classes:

a. A regular rate applied to payroll records which do not receive holiday pay and records that should not be affected by holiday pay. The regular rate percentage is applied to the following object classes: 1113, 1114, 1151, 1152, 1153, 1154, 1156, and 1158.

b. An affected by holiday rate applied to all other payroll records which receive holiday pay and to the employer contribution object classes.

Generally, the regular labor cost accrual rates are calculated by dividing the number of days in the accrual period by the number of days in the base period. The adjusted rate is computed by dividing the number of days in the accrual period minus any holidays by the number of days in the base period minus any holidays.

15-day accrual period with no holidays in the accrual or base period:

Regular Rate: 15 days in accrual divided by 10 days in base = 150%

Affected by Holiday Rate: same as regular rate

15-day accrual period with a holiday in the accrual period:

Regular Rate: 15 days in accrual period divided by 10 days in base = 150%

Affected by Holiday Rate: 14 days in accrual (15 days minus 1 holiday) divided by 10 days in base = 140%

15-day accrual period with a holiday in the base period:

Regular Rate: 15 days in accrual period divided by 10 days in base = 150%

Affected by Holiday Rate: 15 days in accrual divided by 9 days in base (10 days minus one holiday) = 167%

15-day accrual period with a holiday in both accrual and base periods:

Regular Rate: 15 days in accrual period divided by 10 days in base = 150%

Affected by Holiday Rate: 14 days in accrual (15 days minus 1 holiday) divided by 9 days in base (10 days minus 1 holiday) = 155%

3. Application of the Labor Cost Accrual Rates. The regular or affected by holiday accrual rate is applied to the dollar amount and labor hours in each record from the base period after excluding the following records:

- a. records other than current fiscal year
- b. intermittent employee
- c. holiday pay object class 1157
- d. terminal leave payments
- e. cash award object class 1159
- f. severance pay
- g. adjustments to prior pay periods.

4. Processing the Month-End Accrual. After processing the last main payroll file received for the month, FMB will generate the month-end accrual records by use of the NFC008 screen in CBS. Once the program has generated the data, FMB approves the month-

end accrual records in the current GL period using the NFC015 approval screen. At this point the data is rolled up to the ACCS level and posted to the Trial Table, based on the transaction codes (TCs) previously set up for the object class, direct or reimbursable flag, project type and option code. Once the surcharge and overhead application is generated against the accrual records and Data Warehouse has refreshed, e-mail notification is sent to Line Office payroll users advising the pay period used for the estimate and the percentages applied. The same NFC015 screen is used to approve the reversal of the month-end accrual at the beginning of the next month, citing the new GL period. Again, e-mail notification is sent to Line Offices once the reversed surcharge and overhead application has been completed and displayed in Data Warehouse.

3-07 NOAA CORPS PAYROLL.

The NOAA Corps payroll is processed on an exception basis, i.e., only changes in pay or status are entered into the payroll system. Although the NOAA Corps officers are paid semi-monthly, the payroll cycle is a monthly process with the T&A data existing in the system without the input of T&A reports at regular intervals.

3-08 COAST GUARD PAYROLL ACCOUNTING TRANSACTION FILE.

The NOAA Corps payroll process begins when changes in pay and personnel data are entered into the micro-computer system located at the NOAA Corps Commissioned Personnel Center (CPC) in Silver Spring, Maryland. The changes are then telecommunicated to the U.S. Coast Guard Pay and Personnel Center (PPC) in Topeka, Kansas, for processing. The payroll adjustments are usually reflected in the next or subsequent pay periods.

The CPC centrally funds all NOAA Corps officer labor, referred to as "block funding". The funds are provided at the beginning of each fiscal year from a number of different sources and are used under one organization code; therefore, all labor costs for officers are located in one FMC.

3-09 PROCESSING THE NOAA CORPS PAYROLL FILE.

The following are steps taken in the CBS labor cost programs which process the payroll accounting data received from Coast Guard:

1. NOAA CORPS PAYROLL AND EMPLOYEE INTERFACE FILE

Around the 20th of each month, the NOAA Corps Payroll Unit, PPC, telecommunicates payroll accounting data to NOAA Production Control. At the same time, the Payroll Unit transmits an active employee interface file.

2. NOTIFICATION FROM PRODUCTION CONTROL

Once the monthly NOAA Corps payroll file is made available by Coast Guard, Production Control transfers the file to the CBS server and notifies FMB of its availability. Production Control provides FMB with the file name, designating the month being reported and the date it was transmitted.

3. PROCESSING

FMB retrieves the NOAA Corps file from the CBS server, identifying the data by unique name. Because the file's batch-date is generated in the loading process, FMB will usually not run the NOAA Corps file on a Friday in an attempt to avoid duplicating batch-dates used by NFC. The data record layout comes from Coast Guard in a format that the payroll interface cannot process. Therefore, the NFC000 program converts the file into the NFC format. The NFC000 program generates object classes, pay plans, etc. Once converted and loaded into the NFC_PACS source table, the records receive the identifier "NOACOR", distinguishing them from NFC payroll records. The procedures to process the NOAA Corps file are the same as those used in the NFC payroll file with the exception that no records should be deleted in the roll-up, NFC00a. After posting to the General Ledger and the surcharge/overhead application has processed, FMB notifies the Commissioned Personnel Center that the file will be available after Data Warehouse refreshes.

Exhibit 1

NFC TO BIS CONVERSION							
NFC o.c.	NOAA o.c.		NFC o.c.	NOAA o.c.		NFC o.c.	NOAA o.c.
0271, 0272	95000000		1188, 1236	12180000		1301	13200000
1101, 1102,1103	11120000		1201	12300000		1303	13210000
1104	11130000		1202	12330000		1333	13100000
1121,1121,1123,1124	11300000		1203	12320000		1405	14050000
1141,1142,1143,1144 1149	11350000		1204	12310000		1406	11590000
1152,1153	11590000		1208	12130000		1199 (Credit Earned)	11800000
1160,1161 1166,1174	11520000		1213	12340000		1199 (Comp Earned)	11820000
1162,1163, 1164	11560000		1214,1217 1218,1244 1247	12310000		1167 (T&A suffix code 3)	11580000
1165,1187 1192	11580000		1251,1254 1255,1258	12300000		1167 (T&A suffix not 3)	11530000
1168	11550000		1264,1266	12360000		1131,1134 TypeAppt 01,06,02,07	11320000
1170,1171 1172,1173 1176,1177,1178	11510000		1269,1271	12370000		1131, 1134 Type Appt not 01,06,02,07	11330000
1179,1180	11570000		1274	12380000		1132,1133	11320000
1182	11540000		1275	12390000			
1183,1184 1185,1186	11180000		1282,1283 1284,1297	12110000		1211,1302 All others	13990000

NFC TO NOAA CONVERSION

NFC o.c.	NOAA o.c.		NFC o.c.	NOAA o.c.	Project		NFC o.c.	NOAA o.c.
1101-1103	11120000*		0271,02 71	95000000	C8WRC88		1303	13210000
1104	11130000*		1183- 1186 Lump Sum	11180000	09WLV83		1333	13100000
1104 Pay Plan 'WM'	11140000*		1183- 1186	11180000			1405	14050000
1121-1124	11300000*		1201	12300000	09WEC70		1406	11590000
1124 Pay Plan 'WM'	11310000*		1202	12330000	09WEC70		1131-Type Appt 01,06,02,07	11320000
1141,1142 1143,1144	11350000*		1203	12320000	09WEC70		1131-Type Appt not 01,06,02,07	11330000
1149	11350000		1204	12310000	09WEC70			
1152,1153	11590000*		1208	12130000			1199 (Credit Earned)	11800000
1160,1161 1166,1174	11520000*		1213	12340000	09WEC70		1199 (Comp Earned)	11820000
1162,1163 1164	11560000*		1214,12 17 1218,12 44 1247	12310000	09WEC70		1167 (3 rd shift)	11580000
1165,1187 1192	11580000*		1251,12 54 1255,12 58	12300000	09WEC70		1167	11530000
1168	11550000		1264,12 66	12360000	09WEC70		1132,1133	11320000
1170-1173	11510000*		1269,12	12370000	09WEC70			

1176-1178			71				
1179	11570000*		1274	12380000	09WEC70		
1180	11570000		1275	12390000	09WEC70		
1182	11540000		1109	11150000	09WLV73		
1188,1236	12180000		1282,12 83 1284,12 97	12110000		1211,1302 All others	13990000

* All of these object classes convert to a specific project when the T&A leave code is used:

TA code 50 (Credit Time)= project 09WLV85

TA code 59 (Shore leave used) = project 09WLV87

TA code 60, 64(Comp Time Used) = project 09WLV85

TA code 61, 63 (Annual Leave and restored Annual leave) = project 09WLV81

TA code 62 (sick leave) = project 09WLV71

TA code 65, 68 (Military Leave) = project 09WLV73

TA code 66, 67 (Other Paid Absence) = project 09WLV73

TA code 69 (Home Leave) = project 09WLV99