

Grant Accounting for Allocation Pool Transactions Early Adopter Guide

Early Adopter Product Summary

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To provide feedback on this product summary, please send an email to:
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This early draft content has not been published in the
Workday Guides and is subject to further change.



Product Statement

Any unreleased services, features, functionality or enhancements referenced in any Workday document, roadmap, blog, our website, press release or public statement that are not currently available are subject to change at Workday's discretion and may not be delivered as planned or at all.

Customers who purchase Workday services should make their purchase decisions based upon services, features, and functions that are currently available.



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Reference: Facilities and Administration Spend Transactions

For awards with cost reimbursable and fixed amount award lines, Workday calculates the facilities and administration (F&A) costs on some transactions automatically. After calculating award costs, Workday generates operational journals for the F&A costs and revenue based on account posting rules. When you make a change that affects the calculation of F&A amounts, you can reprocess the award costs to recalculate the F&A costs for these transactions.

Note: When you select a different object class and/or spend category to classify your F&A on the award cost processing rules, Workday continues to use the object class mapping to evaluate F&A eligibility for the source transaction.

Award Costs Processing Enabled Transaction	When Does the Transaction Become Billable?	Other Considerations
Accounting Adjustment	Transaction Completion	
Accounting Journal	Transaction Completion	<p>You can enable award costs process for customer-configurable journals by using the Maintain Journal Sources task. This configuration only applies to actual ledger types.</p> <p>Don't specify object class worktags on your accounting entries. Workday derives the object classes from the object class mapping, and when you change the derived object class worktags, Workday continues to recognize revenue with the object class worktags derived from the object class mapping.</p> <p>When you create accounting journals with a:</p> <ul style="list-style-type: none"> User interface task, Workday processes the award costs as soon as the business process completes. Web service, Workday schedules award costs processing to run in the background every 15 minutes. <p>When you change or cancel an accounting journal with a grant worktag, Workday processes the award costs either upon completion of the business process or every 15 minutes, depending on whether you created the accounting journal with a user interface task or web service, respectively.</p>

Award Costs Processing Enabled Transaction	When Does the Transaction Become Billable?	Other Considerations
Accounting Journal with Reversal	Transaction Completion	<ul style="list-style-type: none"> When you use web services to cancel or reverse accounting journals that were also created with web services, Workday schedules the award costs processing to occur every 15 minutes. Reversals for accounting journals aren't eligible for reprocessing of award costs. Workday uses the accounting date on the original accounting journal to derive F&A cost rates and calculate expenses.
Ad Hoc Bank Transaction	Transaction Completion	
Ad Hoc Payment	Transaction Completion	
Allocation	Transaction Completion	
Allocation Pool	Transaction Completion for <i>Process Allocation Plan</i>	<p>Workday generates grant accounting for spend transactions that contain an allocation pool as a worktag where the allocation pool is:</p> <ul style="list-style-type: none"> Configured with a sponsored fund, grant, and spend category or pay component. On an allocation plan being processed.
Expense Report	Settlement	
Fringe Benefit	Settlement	
Fringe Benefit Forward Accrual	Not Billable	Fringe benefit forward accrual spend lines aren't billable.
Funding Source Reclassification	Transaction Completion	
Internal Service Delivery	Transaction Completion	<p>When you create internal service deliveries (ISDs) with:</p> <ul style="list-style-type: none"> The Create Internal Service Delivery task, Workday processes the award costs as soon as the <i>Internal Service Delivery Event</i> business process completes. Web services, Workday schedules award costs processing to run in the

Award Costs Processing Enabled Transaction	When Does the Transaction Become Billable?	Other Considerations
		<p>background every 15 minutes.</p> <p>When you change or cancel an ISD with a grant worktag, Workday processes the award costs either upon completion of the business process or every 15 minutes, depending on whether you created the ISD with a user interface task or web service, respectively.</p>
Inventory Issue	Transaction Completion	
Inventory Put Away From a Return	Transaction Completion	
Inventory Shipment	Transaction Completion	
Miscellaneous Payment Request	Settlement	
Netting Transactions between Supplier and Customer Invoices	After Netting	<p>Netting cancels or reverses all previous cost reimbursable spend lines and generates new lines with the correct revenue recognition and F&A costs.</p> <p>To restrict netting to a specific type of invoices, specify an invoice type in the netting eligibility rule.</p> <p>Award costs processing doesn't support the netting of transactions between supplier invoices with retention and customer invoices.</p>
Payroll	Settlement	For payroll and fringe benefit transactions, Workday initiates award costs processing when the pay run completes.
Payroll Accounting Adjustment	Transaction Completion	
Payroll Forward Accrual	Not Billable	Payroll forward accrual spend lines aren't billable.
Procurement Card Transaction Verification	Transaction Completion	
Release of Supplier Invoice Retention	Settlement	<p>Workday calculates F&A costs and revenue recognition only on the retention amount you release.</p> <p>You can view accounting for the released retention award costs on the original spend line and not the line where you release the retention.</p>

Award Costs Processing Enabled Transaction	When Does the Transaction Become Billable?	Other Considerations
Student Financial Aid Disbursement	Transaction Completion	
Student Waiver Disbursement	Transaction Completion	Billable when the student payment document is complete or posted.
Supplier Invoice	Settlement	<p>When the supplier invoice contains a currency override, Workday processes the award costs in the override currency.</p> <p>When you create a supplier invoice with a:</p> <ul style="list-style-type: none"> • User interface task, Workday processes the award costs as soon as the <i>Supplier Invoice Event</i> business process completes. • Web service, Workday schedules the award costs processing to run in the background every 15 minutes. <p>When you change or cancel a supplier invoice with a grant worktag, Workday processes the award costs either upon completion of the business process or every 15 minutes, depending on whether you created the supplier invoice with a user interface task or web service, respectively.</p> <p>You can't add grant worktags to down payment invoices or supplier invoices where down payments are applied. You also can't apply down payments on supplier invoices that already have grant worktags on them.</p>
Supplier Invoice Adjustment	Settlement	
Supplier Invoice with Retention (partially settled supplier invoice)	Settlement	Workday calculates F&A costs and revenue recognition only on the amount that you settle.

Steps: Charge Expenditures to Grants through Allocation Pools

Context

You can charge award-related expenditures to grants by associating the expenditures with allocation pools in an allocation plan. Allocation plans enable you to manage shared costs and revenue across various dimensions to comply with federally approved cost allocation plans. When you process an allocation plan, spend transactions with an allocation pool worktag will be charged to the grants, spend categories, and sponsored funds assigned to that pool, based on their allocated percentages.

Steps

1. Configure Worktags for Transactions.

Add:

- *Allocation Pool* as an additional worktag type for the type of the transactions you want to charge to grants through allocation pools. Example: To charge supplier invoices to grants through allocation pools, add *Allocation Pool* as an additional worktag type to the *Supplier Invoice* taggable.
- *Grant* as an additional worktag type for the *Allocation Pool* taggable, to enable the selection of grant worktags when creating allocation pools.

2. Create Allocation Plans.

Configure the **Source Journal Lines** tab on the allocation plan to exclude these journal sources:

- Facilities and Administration Expense
- Grant Revenue

3. Create Allocation Pools.

On the **Accounting** tab, add a row for each of these worktag types in the **Pool Worktags** grid:

Worktag Type	Details
Fund	Specify a sponsored fund.
Grant	Specify a grant on an award or award line for the same company as the allocation pool.
Spend Category or Pay Component	Specify the spend category or pay component associated with a cost reimbursable expenditure.

Note: To apply a specific grant worktag to all transactions for an allocation pools, Workday recommends that you specify the grant worktag:

- On the allocation pool and not on the spend transactions.
- Only on the allocation pools where you want Workday to generate grant accounting. To avoid creating excessive award accounting, specify the grant worktag on either the non-final or final allocation pool, not both. Example: Your allocation plan has 2 tiers:
 - *Tier 1: Pool 1*
 - *Tier 2: Pool 2, Pool 3*

To allocate both *Pool 2* and *Pool 3* transactions to *Grant A*, specify *Grant A* in *Pool 1*.

To allocate *Pool 2* transactions to *Grant A*, and *Pool 3* transactions to *Grant B*, specify *Grant A* in *Pool 2*, *Grant B* in *Pool 3*, and no grant in *Pool 1*.

4. To charge a spend transaction to a grant through an allocation pool:

- a) Create the spend transaction, and add the allocation pool as a worktag for the transaction. Complete the spend transaction.

Example: To charge a supplier invoice to a grant through an allocation pool, [Create Supplier Invoices](#) and specify the allocation pool as a worktag. Don't specify the grant on the supplier invoice. If prompted for a fund, specify a non-sponsored fund.

- b) [Process Allocation Plans](#).

Workday generates the grant accounting when you complete the *Allocation Plan Event* business process. To view the grant accounting after the business process completes:

1. Click **View Allocation Plan Run**.
2. On the next page, click **View Allocation Transactions**.
3. From the related actions menu of an allocation pool transaction, select the **Accounting** > **View Accounting** task.
4. You can also select tasks in **Facilities And Administration** to view the F&A transactions and journal lines associated with the allocation pool transaction.

5. (Optional) To make changes to source journal lines or your allocation plan, you can cancel and reprocess the allocation plan.

When you cancel the allocation plan, Workday:

- Cancels any unbilled cost reimbursable spend and F&A transactions.
- Reverses any billed cost reimbursable spend and F&A transactions.

When you reprocess the allocation plan, Workday:

- Performs all the actions related to canceling an allocation plan.
- Creates new cost reimbursable spend and F&A transactions.
- Generates F&A and revenue recognition journals for the new transactions.

To ensure accurate F&A accounting after you cancel and reprocess an allocation plan with new transactions that share the same basis limit, Workday recommends that you run the **Reprocess Award Costs** task.