

Labor Distribution WA State Roadmap



SAP Public Services, Inc.

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1) Introductions

- Phil Oertli - SAP Sr. Account Executive
- Kenneth Chambers - SAP Client Services Executive
- Martin Ullmann - FI/CO Consultant
- Sahithi Kode – HCM Consultant

2) Goals & Objectives

- Better Understanding of State Process
- Understanding of SAP Labor Distribution
- Components necessary for Implementation

3) General Labor Distribution Definition

Labor Distribution is a process within a joint HCM/FI system that allows an organization to distribute labor hours by projects, grants and/or programs in which an employee works.

3) Why is Labor Distribution critical in Public Sector?

- Funding:

Labor costs need to be distributed correctly to cost objects to reflect accurate funding source

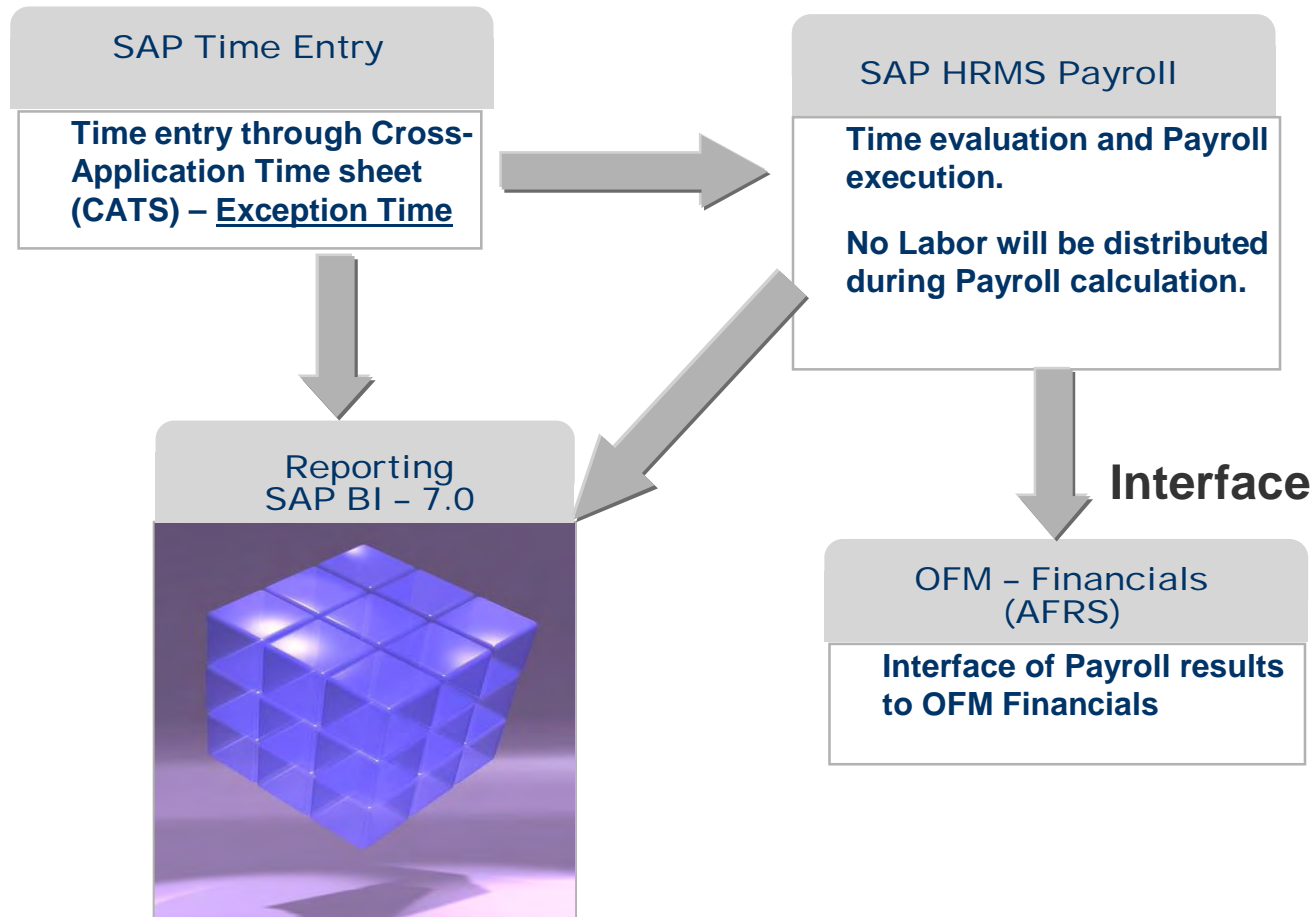
- Grants:

Labor costs need to be distributed correctly to grants in order to be able to bill grant sponsors accurately

- Projects:

Labor costs need to be distributed correctly to projects in order to reflect the correct project costs occurred

4) Current State Payroll Process in SAP



5) Time Management / Labor Distribution Integration



5) Three Labor Distribution Types in SAP



- SAP has three labor distribution types
 - ◆ Fixed, Percentage or based on Time Worked (Positive Time)
- Agencies can use any combination of Labor Distribution types to satisfy their agency requirements.
- Labor Distribution is calculated in payroll based on the time entered. SAP Payroll is currently setup to perform this task.
- Elimination Of Agency Labor Distribution Processes.

5) Labor Distribution can be done in 3 different ways in SAP

■ “Fixed” Labor Distribution

Employees are assigned to Cost Centers in their employee master data. All labor and benefits expenses are posted to this cost center.

Example: Human Resource

Pers. No.	1016	Pers.Assgn	00001016		
Pers.No.	1016	Name	Mike Kaufman		
EE group	1 Active	Pers.area	1300 Frankfurt		
EE subgroup	DU Salaried staff	Cost Center	2200 Human Resources		
Start	13.02.1998	to	31.12.9999	Chng	10.11.1998 BONIN

Enterprise structure					
CoCode	1000	IDES AG	Leg.person	0001	
Pers.area	1300	Frankfurt	Subarea		Zentrale
Cost Ctr	2200	Human Resources	Bus. Area	9900	Corporate Other

5) Labor Distribution can be done in 3 different ways in SAP

■ “Fixed Percentage” Labor Distribution:

Employees are assigned to multiple cost objects, such as Cost Centers, Projects or Grants, with a distribution percentage for each cost object. Labor costs are distributed based on the percentage value assigned to the cost objects.

Example: Grant Administrators / Project Managers

Pers. No.	1017	Pers.Assgn	00001017			
Pers.No.	1017	Name	Annette Sturm			
EE group	1 Active	Pers.area	1300 Frankfurt			
EE subgroup	DT Non-PS staff	Cost Center	1110 Executive Board			
Start	01.01.1994 To	31.12.9999	Chng	27.07.2008 MULLMANN		
Distrib.	01 Wage/salary					
Master cost center	1110	Executive Board				
Default service type	/					
Cost distribution						
Co...	Cost ctr	Order	WBS element	Name	Pct.	Na
1000	1110			Executive Board	30,00	
1000			P-9990-01-01	Analysis	70,00	

5) Labor Distribution can be done in 3 different ways in SAP

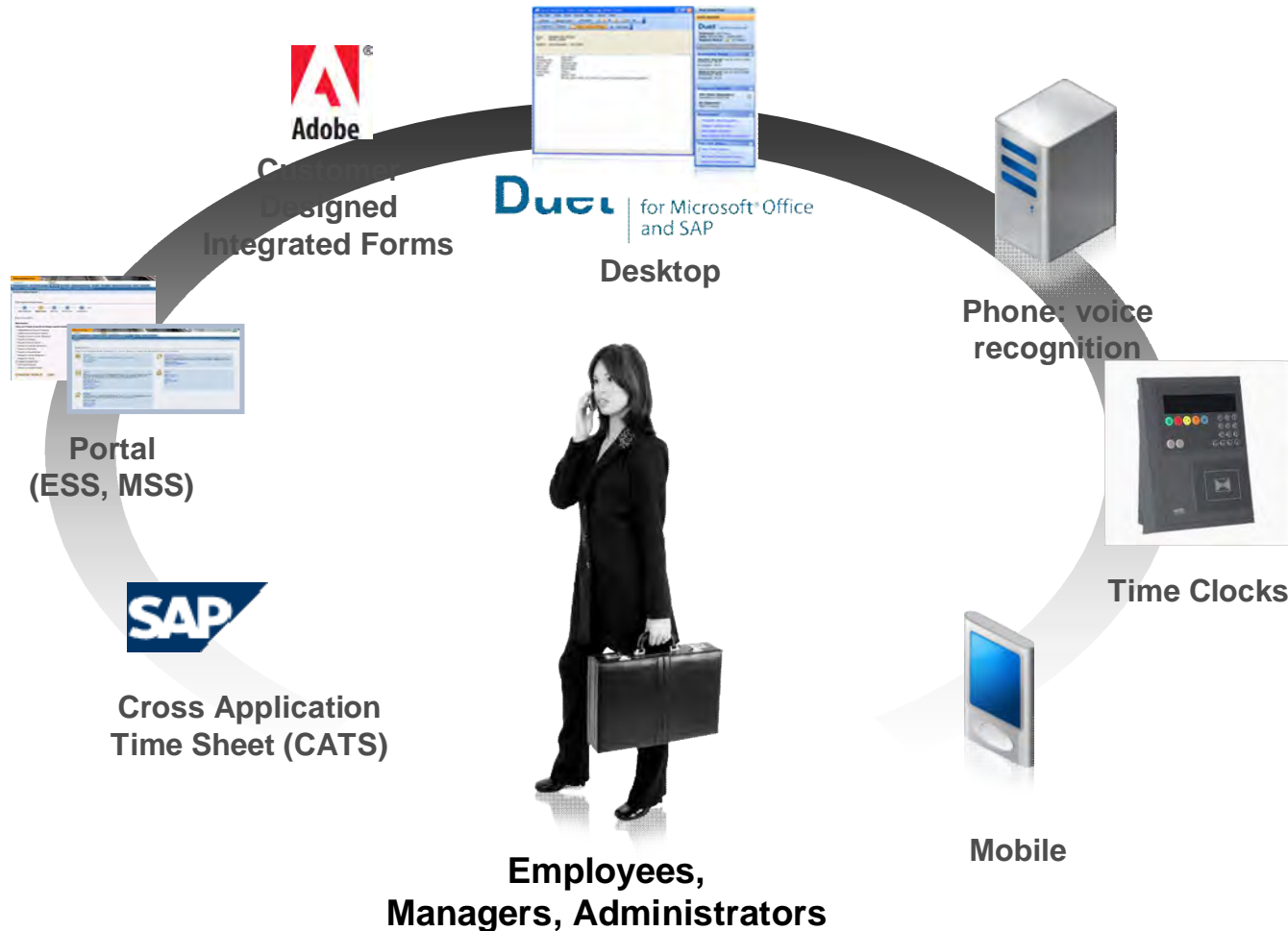
- Labor Distribution based on Positive time entry:
 Employees enter their working hours in the time sheet and assign the time to multiple cost objects, such as Cost Centers, Projects or Grants. Labor costs are distributed based on time worked for each cost objects.
 Example: Grant Administrators / Project Managers

Data Entry Area													
Rec. CCtr	Receiver Grant	Receiver WBS element	MU	Crcy	Total	SU ...	MO ...	TU ...	WE ...	TH ...	FR ...	SA ...	
			H		37	0	8	8	8	8	5	0	
			H		0	0	0	0	0	0	0	0	
11010							6	5.5			5		
	G.1324567						2			1			
	G.8904236									6			
		P123.765.A						2.5					
		P452.981.B							8	1			

5) Time and Attendance HCM Service Delivery

Multiple Channels for the Way People Work

How do you want time data captured?



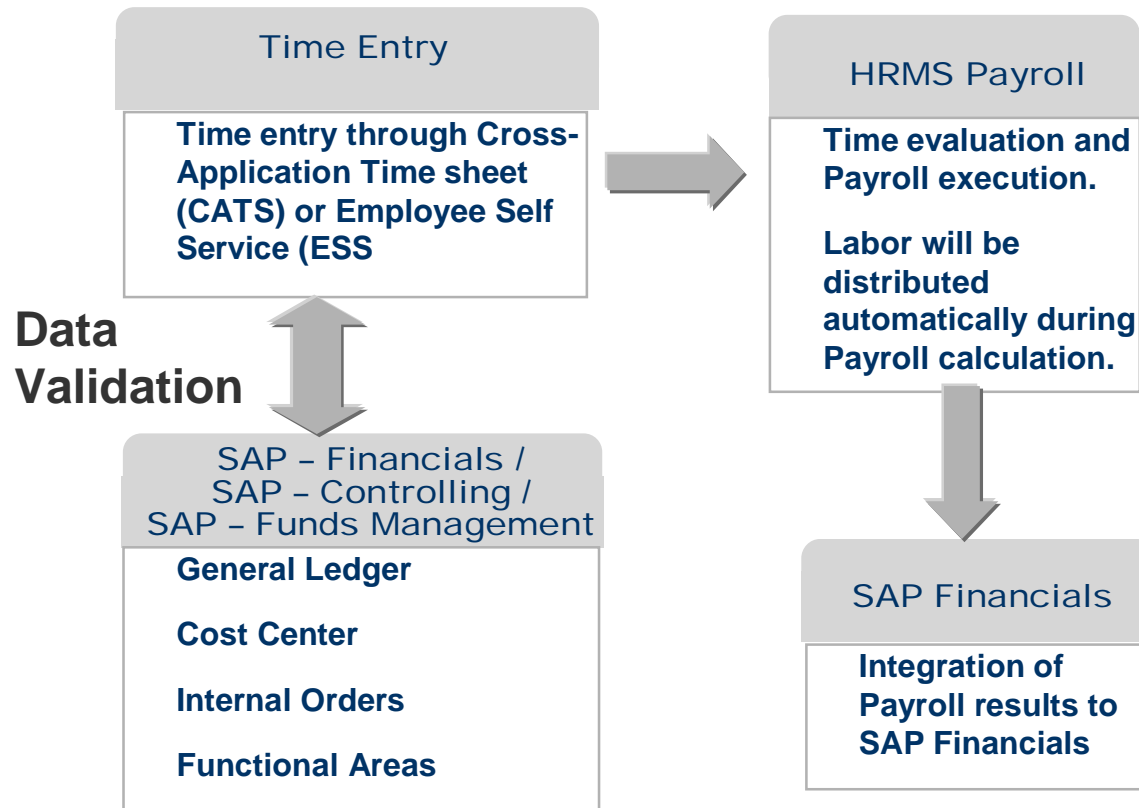
You decide, use one or all

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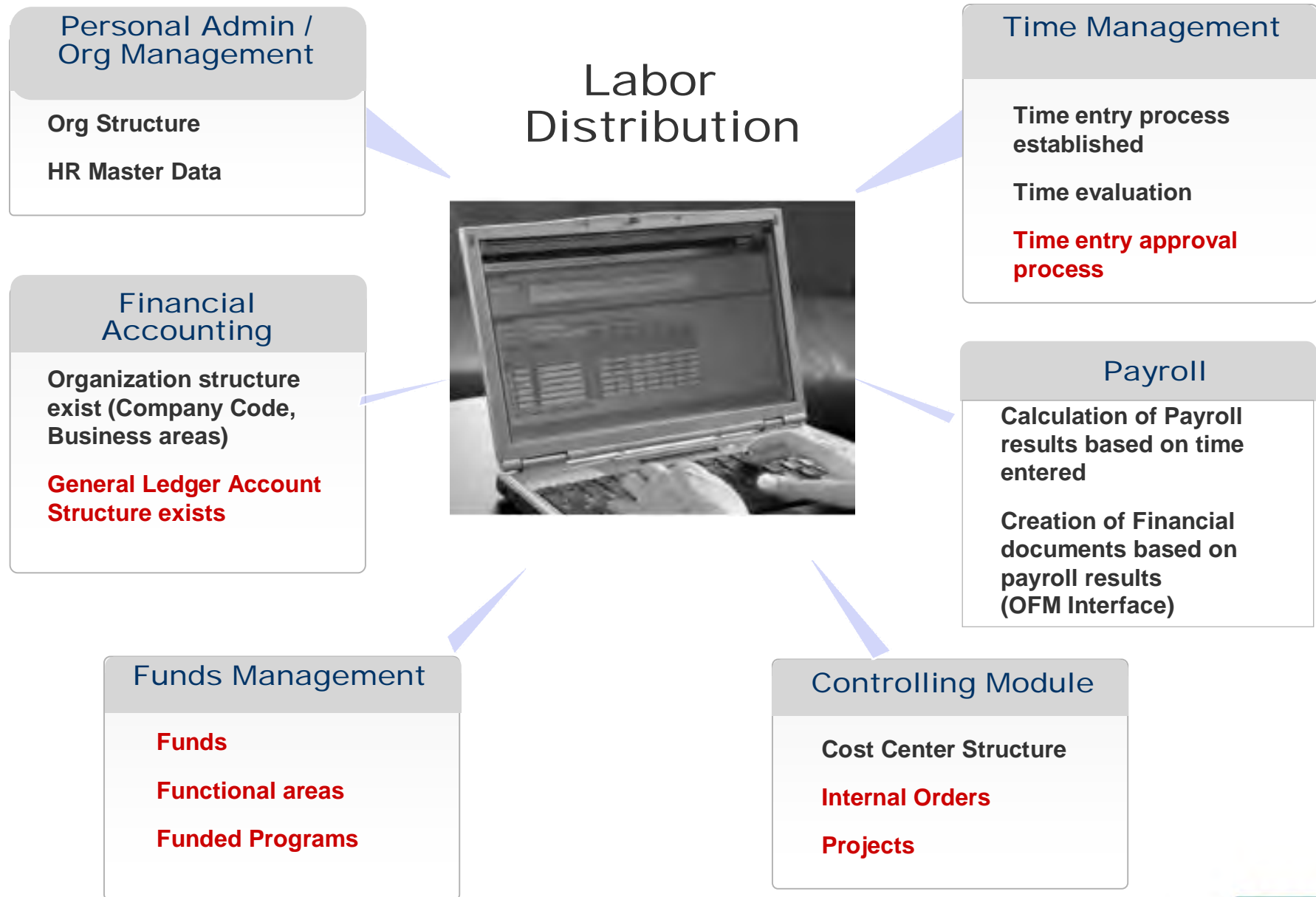


Demonstration

7) Proposed Process Overview



7) Labor Distribution – “Leverage Current Investment”



7) SAP Accounting elements needed for Labor Distribution

Accounting Element	Currently used	Comment
G/L Account	Limited	Review G/L accounts if additional detail is necessary for labor distribution.
Cost Center	Limited	Review Controlling (CO) objects if additional detail is necessary for labor distribution.
Funds	Yes	Review of fund structure required
Projects	No	Implementation of Project System or Controlling Module required
Grants	No	Internal Orders can be used to reflect Grants
Functional area	No	Analysis required, if functional area is needed to reflect Labor distribution by program

8) Summary

- **Federal Compliance**
- **Single Point of Time Entry**
- **Flexible Time Entry Process**
- **Flexible Distribution Process**
- **Accurate Labor Reporting for Grants and Projects**
- **Potentially eliminate shadow systems**
- **Leverage current investment at DOP**
- **Integrated Solution**
- **Scaleable Solution**

Q & A