

# Financial Services

## Research Commitments - A Look Behind this Figure

# What is a Commitment?



**Commitments** are known future expenses, which have not yet been incurred. Examples of research project commitments may include the following:

- Salaries and Benefits
- Graduate Research Fellowships (GRFs)
- Purchase Orders
- Overhead
- Travel Advances
- Research Participant Advances

# Where Can I View My Commitments?



Research project commitment details can be viewed by running a **Project Summary Report** or a **Statement of Operations Research Report**.

Both reports are accessible through the **Fast Administrative Support Tool (FAST)**.

# FAST Project Summary Report



## Commitments Total in FAST Project Summary Report

Finance Reporting > Project Summary > Project Summary (Data as of 22/0)

Filter Options | Report Results | Help | + More

PROJECT ID = 3xxxxx | AS OF DATE = 201603

Row #	PROJECT	DESCRIPTION	PI NAME	DEPARTMENT	END DATE	STATUS	PROJECT SPENDING DEADLINE	SURPLUS DEFICIT	ACTUAL EXPENSES	COMMITMENTS
1	<u>3xxxxx</u>	SRP - CSPC	Black, John	13903	Dec-31-2099	A	<u>2099/12/31</u>	<u>11,115.59</u>	<u>4,383.41</u>	<u>1,500.00</u>

Underlined values, including commitments, represent hyperlinks which you may click on to access additional details.

# Salary and Benefit Commitments



Salary and Benefit commitments are calculated as:

$$\begin{aligned} & \text{Projected Salary and Benefits} \\ & \text{based on approved salary contracts } \underline{\text{less}} \\ & \text{Salary and Benefit Expenses incurred to date} = \\ & \text{Salary and Benefit Commitment} \end{aligned}$$

In the first month of pay, salary and benefit expenses will be reflected in the research project along with the remaining commitment calculated to the earlier of the end of the contract, or the university fiscal year-end (April 30th).

# Salary and Benefits Split Between Projects



If salary/benefits are split between 2 research projects (e.g. Project A and Project B), the commitment will also be split as follows:

Project A:	\$20,000	50% of total salary and benefits
Project B:	<u>\$20,000</u>	50% of total salary and benefits
Total:	\$40,000	Total Salary and Benefits

## Salary and Benefits Moved From Project A to B



If salary and benefits are committed against Project A in May 2020 and are planning to be moved to Project B in November 2020, the full commitment will initially be posted against Project A (reduced each month as paid). In November, the remaining commitment will then be moved to Project B.

# Salary Accounts



**Accounts** in the **500000-599999** range represent salary and benefit accounts used to identify **payroll** transactions.



# Payroll Commitments in the Month of April



It is important to remember for **Salary and Benefit (Payroll) Commitments**, committed amounts will only be calculated to the earlier of the end of the contract, or the university fiscal year-end (April 30th).

**Example:** If a salary contract is processed by Payroll Services for the period September 1, 2019 to August 31, 2020, \$0 commitments will appear in the month of April 2020. However, salary and benefit commitments will resume in the month of May 2020, for the balance of the contract.

## Non-Payroll Commitments in the Month of April



For all other **(Non-Payroll) Commitments**, upon fiscal year-end close, committed amounts will be carried forward from April to the month of May.

Therefore, when referring back to April research reports following the year-end close, \$0 commitments will appear in the month of April. Future commitments must be manually estimated when reviewing April statements.

# GRF Commitments



**GRF** commitment amounts are reported as **Non-Payroll Commitments** since related transactions are processed by Accounts Payable.

GRF commitment amounts are calculated by **multiplying the current month's payment by the number of months remaining in the GRF contract. The remaining commitment amount is visible in the project until the end of the GRF contract and will be reduced on a monthly basis as each payment is made.**

# Purchase Orders



Research project commitments may include **Purchase Orders**. Initially, Purchase Requisitions are submitted through the acquire eProcurement system for the purchase of research related goods and services. Upon approval, Purchase Requisitions are converted into Purchase Orders. These amounts are then committed to research projects.

Visit the **Strategic Procurement Services** website for additional details regarding procurement related topics.

# Purchase Commitments



## Example of Purchase Commitment

Finance Reporting ▶ COMMITMENT DRILL DOWNS GRA ▶ COMMITMENT DRILL DOWNS GRA

Filter Options | Report Results | Advanced Options | Administration | + M

PROJECT = 3xxxx | AS OF DATE = 201601

Row #	PROJECT	ACCOUNT	ACCT DESCRIPTION	PROGRAM	COMMITMENTS REMAINING	COMMITMENT TYPE
1	3xxxx	612000	BUD-Furn & Equip Non-Capital	-	<u>11,432.16</u>	NON-PAYROLL COMMITMENTS

As Purchase Orders are paid, the payment is expensed in the research project and the related commitment is reduced accordingly.

# Research Overhead



**Overhead commitments** reflect funds **budgeted** to pay for **indirect costs, not yet expensed** in the Queen's General Ledger. Overhead commitments are calculated and posted to applicable research projects at the end of the fiscal month. Overhead commitments are **calculated** as follows:

**Budgeted Overhead** less

**Overhead Expenses** incurred to date =

**Overhead Commitment**

To learn more about research overhead, please refer to the **Research Overhead–Understanding the Basics** training material.

# Overhead Commitments



## Example of Overhead Commitment

Finance Reporting ▶ COMMITMENT DRILL DOWNS GRA ▶ COMMITMENT DRILL DOWNS GRA

Filter Options | Report Results | Advanced Options | Administration | +

PROJECT = 3xxxx | AS OF DATE = 201601

Row #	PROJECT	ACCOUNT	ACCT DESCRIPTION	PROGRAM	COMMITMENTS REMAINING	COMMITMENT TYPE
1	3xxxx	693000	BUD-Overhead	-	<u>11,432.16</u>	NON-PAYROLL COMMITMENTS

Amounts appearing against **Account 693000 "BUD-Overhead"** represent amounts reserved for research overhead.

# Travel Advances



**Travel advances** requested through the **Expense Reimbursement System (ERS)** are now committed against the applicable research project at the end of each fiscal month.



# Travel Advance Commitments



## Example of Travel Advance Commitment

Finance Reporting ▶ COMMITMENT DRILL DOWNS GRA ▶ COMMITMENT DRILL DOWNS GRA

Filter Options | Report Results | Advanced Options | Administration | +

PROJECT = 3xxxx | AS OF DATE = 201601

Row #	PROJECT	ACCOUNT	ACCT DESCRIPTION	PROGRAM	COMMITMENTS REMAINING	COMMITMENT TYPE
1	3xxxx	640000	BUD-Travel	-	<u>11,432.16</u>	NON-PAYROLL COMMITMENTS

Once the travel claim is submitted through the ERS, the travel will be expensed in the research project and the commitment will be reduced accordingly.

# Research Participant Advances



Advances to pay **research study participants** may be requested through the **ERS** and will be reflected as commitments in research project reports.

**Research participant advances** will remain committed until the advance is accounted for through the ERS. Once accounted for, payments to research participants will be expensed in the research project and the commitment will be reduced accordingly.

Visit the **Financial Services** website for guidance on requesting Research Participant advances.

# Research Participant Advance Commitments



## Example of Research Participant Advance Commitment

Finance Reporting ▸ COMMITMENT DRILL DOWNS GRA ▸ COMMITMENT DRILL DOWNS GRA

Filter Options | Report Results | Advanced Options | Administration | +

PROJECT = 3xxxx | AS OF DATE = 201601

Row #	PROJECT	ACCOUNT	ACCT DESCRIPTION	PROGRAM	COMMITMENTS REMAINING	COMMITMENT TYPE
1	3xxxx	603000	BUD-Research	-	<u>11,432.16</u>	NON-PAYROLL COMMITMENTS

Once the related research participant expenses are accounted for through the ERS, they will be expensed in the research project and the commitment will be reduced accordingly.

# Closing Projects



It is important to remember that before a research project can be closed, all related commitments must be cleared.

Final project expenses must be posted to the research project and all commitments must be cleared by the **Project Spending Deadline (PSD)**, which is available in the **Project Summary Report** and the **Statement of Operations Research Report**.