

HR2009

MARCH 17-20 • LAS VEGAS



**Learn How to Manage All
HR-Related Costs with
Position Budgeting and
Control (PBC)
Functionality for the Public
Sector**

**Cal Castleberry
RowSix**

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What We'll Cover ...

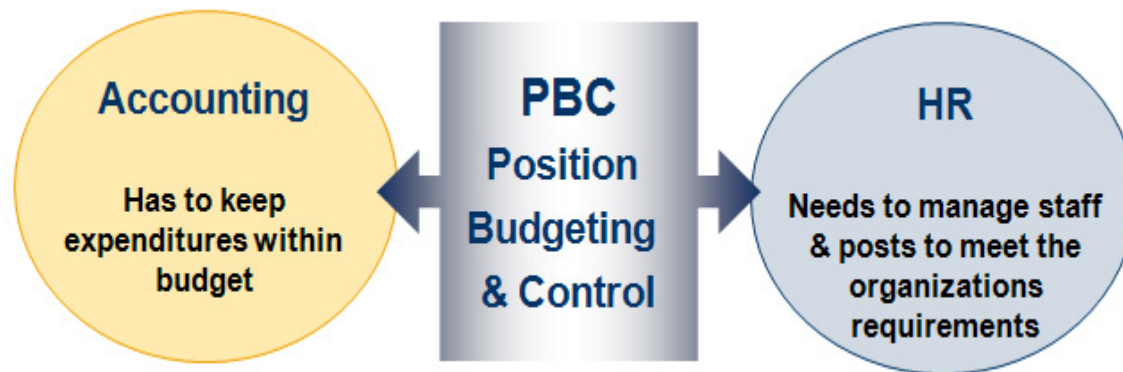
- **Linking HR and finance to facilitate joint decision making**
- **Controlling budgets with the PBC commitment processor**
- **Managing a PBC personnel budget plan**
- **Exploring PBC integration components**
- **Stepping through a PBC step-by-step processing example**
- **Wrap-up**

HR and Finance Joint Decision Making

- **The human resources and finance departments of public sector organizations typically view personnel budgeting issues in different ways**
- **Accounting**
 - ♦ **Keeps expenditures within budget**
 - ♦ **Administrates available budgets**
- **Human resources**
 - ♦ **Needs the “right” staff to meet the organization’s requirements**
 - ♦ **Increasing services**
 - ♦ **Improving workforce performance**

HR and Finance Joint Decision Making (cont.)

- HR needs to fill positions that meet the agency's mission
- Finance must keep all expenditures within budget
- More often than not, each department is unaware of the other's goals or requirements, due to disconnected information systems and business processes



HR and Finance Joint Decision Making (cont.)

- **Because of this divide, information sharing and joint decision making are impossible**
 - ♦ **Besides creating data redundancies, inconsistencies, and complexities, the separation prevents efficient or cost-effective budgeting for personnel positions**
- **While public agencies spend 80% of their operating budgets on personnel expenditures, they often lack a clear view, a realistic perspective, or the ability to plan and control these costs effectively**
- **Legacy systems lack the power and integration capabilities to meet such challenges**



Problem

HR and Finance Joint Decision Making (cont.)

- **Public administrations need a solution that bridges the traditional information divide between HR and finance at the payroll level**
- **They want detailed views of personnel budgets, with a high level of automation providing new cost and workflow efficiencies**
- **Most of all, they need a solution that can guarantee budget availability for payroll expenditures – while anticipating and controlling these costs with true flexibility**



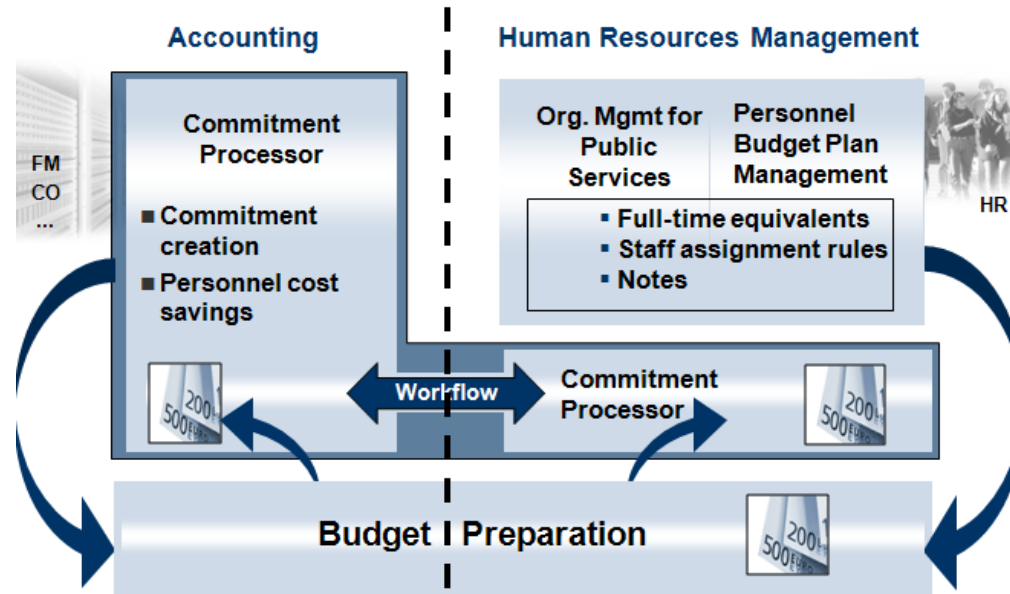
**Administration
of budgets**



**Maintain Org structure and
personnel master data**

HR and Finance Joint Decision Making (cont.)

- The message for public sector organizations is clear: Managing payroll expenditures proactively and with sufficient visibility requires a state-of-the-art solution that connects HR and finance at the payroll level
- The objective is to finance employees efficiently in accordance with budget or legal requirements

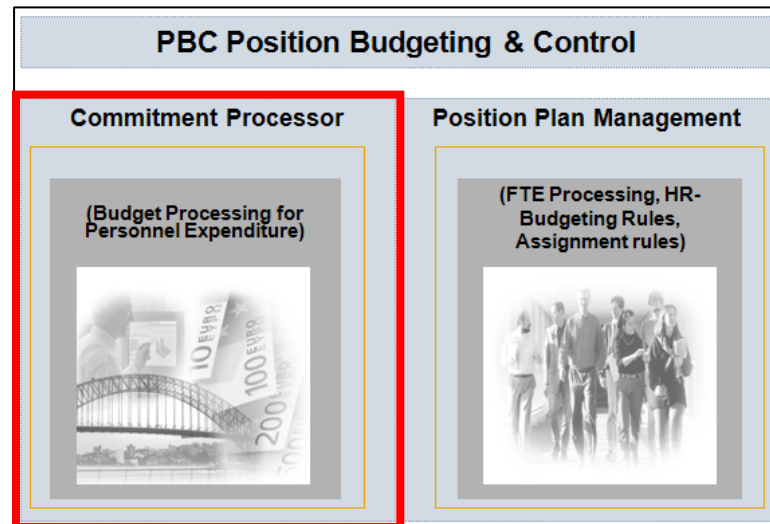


What We'll Cover ...

- Linking HR and finance to facilitate joint decision making
- Controlling budgets with the PBC commitment processor
- Managing a PBC personnel budget plan
- Exploring PBC integration components
- Stepping through a PBC step-by-step processing example
- Wrap-up

Commitment Processor Functionality

- PBC commitment processor
- Personnel cost planning and payroll simulation
- Encumbrances
- Workflow support
- Error processing



PBC Commitment Processor

- **Monitors funds usage**
- **Helps to use the budget available in Funds Management effectively**
 - ♦ **The automatic generation of personnel commitment with event-controlled background processes allows you to view the existing commitments in the area of personnel expenses at any time**
 - ♦ **Automatic commitment creation provides a precise overview of the existing commitments in the area of personnel expenses**
 - ▶ **This ensures the ability to identify and correct any excess or inefficient coverage**



**Key
Feature**

Control Budgets with the PBC Commitment Processor

- Does not require additional entries
- Automatically identifies changes that affect financing
- Automatically registers affected persons and their positions and flags them for refinancing
- Reconciles the personnel commitment with the changes
 - ♦ You must plan the automatic commitment creation run (commitment run) periodically as a background job (or start it manually)



Financing Status by Person (Infotype 0724)

- The status shows to what extent the available budget can cover the personnel expenses in a particular period for a person

Overview Financing Status (0724)

Person ID: [] Pers.Assgn: 10016218 15001230 Teacher-V_ []

Personnel No: [] Name: [] EE group: A Regular

Pers.area: C002 SEA Certificated Non Supers... Subarea: 182 Tchrs/Lib... Status: Active

Job: 15001230 Teacher-Vocational Ed Org. Unit: []

Choose: 01/01/1800 To: 12/31/9999 STy: []

Start Date	End Date	Date	Run Number	A	R	L...
09/01/2008	12/31/9999	01/13/2009	9000004166	E		
08/29/2007	08/31/2008	09/05/2008	9000000035	X		

Change Status [] Marked for New Financing []

Change Status [] Financing is Up to Date []

Financing Status by Person (Infotype 0724) (cont.)

- Selection by financial year (current or future)

Display Financing Status (0724)

Start 09/01/2008 To 12/31/9999

Information on Commitment/Budget Creation

Subtype: Commitments

Type of Commt Creation: Commitment/Budget Creation Acti... Lock

Change Status: Marked for New Financing

Error date: 09/01/2008

Date of Last Run: 01/13/2009

Run Number: 9000004166

Global Status: Error

Create Cmmt

Financing Overview

OT	ObjectID	Des.Type	End Date	End Date	Item	Object ID	Des.Type	End Date	End D:
P	23459	30	09/30/2008	09/30/2008	39	10016218	20	09/30/2008	09/30/
P	23459	30	09/30/2008	09/30/2008	38	10016218	20	09/30/2008	09/30/
P	23459	30	09/30/2008	09/30/2008	43	10016218	20	09/30/2008	09/30/
P	23459	30	09/30/2008	09/30/2008	37	10016218	20	09/30/2008	09/30/
P	23459	30	09/30/2008	09/30/2008	35	10016218	20	09/30/2008	09/30/
P	23459	30	09/30/2008	09/30/2008	42	10016218	20	09/30/2008	09/30/
P	23459	30	09/30/2008	09/30/2008	33	10016218	20	09/30/2008	09/30/

Financing Status by Position (Infotype 1516)

- Or , for a specific position

Create Financing Status

Position	687A_LdLdr01	687A Lead Loader 01									
Planning Status	Active										
Start date	3/01/2008 To	12/31/9999									
Object ID	20064123										
Change Information											
Funding Status											
Subtype	Commitments										
Type of Commt Creation	1 Commitment/Budget Creation Acti	<input type="checkbox"/> Lock									
Change Status	Financing is Up to Date										
Date		Create Cmmt									
Run Number	0										
Global Status	Outstanding										
Financing Overview											
OT	Object ID	Des.Type	End Date	End Date	Item No.	ObjectID	Des.Type	End Date	End Date	Item No.	De

Financing Status Infotype Structure

- Type of Commitment Creation shows whether commitment creation is activated for the person/position selected

Subtype	Commitments
Type of Commt Creation	1 Commitment/Budget Creation Acti

- The system determines this information from Customizing of Position Budgeting and Control to determine objects for which commitment creation is active. These objects are specified in the following IMG section.

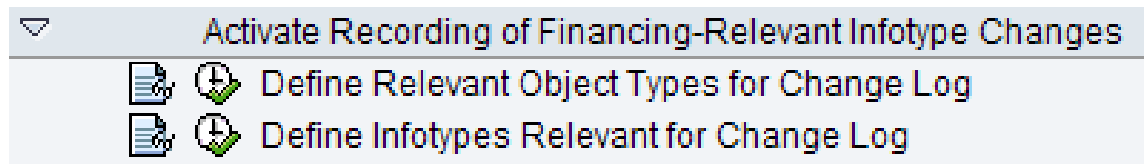
Define Participation in Automatic Commitment Creation
Define Grouping for Participation in Automatic Commitment Creation
Assign Grouping for Participation in Automatic Commitment Creation
Define Start of Automatic Document Creation for each Grouping

- Change Status indicates whether the financing of the object is up-to-date or is flagged for refinancing

Change Status	OO	Financing is Up to Date
Change Status		Marked for New Financing

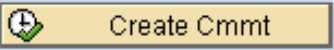

Financing Status Infotype Structure (cont.)

- **The system determines this information automatically from the Customizing settings defined in the section Activate Recording of Financing-Relevant Infotype Changes in the IMG of Position Budgeting and Control**
 - ♦ **As soon as one of the infotypes is changed, the program flags the objects (job, organizational unit, person, or position) affected**
 - ♦ **The program recalculates the commitment for these objects in the next run of automatic commitment creation**



Financing Status Infotype Structure (cont.)

- Information on the commitment run, such as the run date and the run number of the last commitment run for the selected objects
 - ◆ The Global Status shows whether the complete run was free of errors

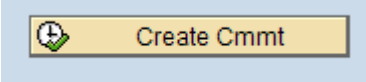
Date of Last Run	01/13/2009	
Run Number	9000004166	
Global Status	Error 	

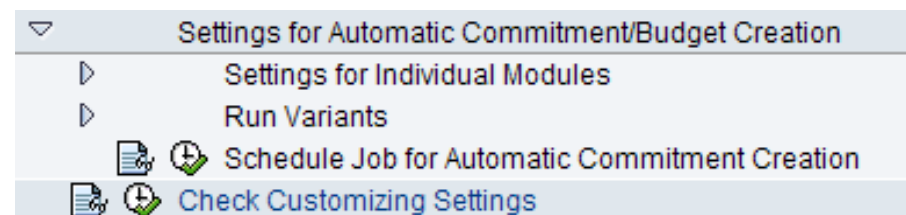
- You can exclude an object from automatic commitment creation using the function Lock

Lock

- ◆ Excluding an object is a good idea if, for example, all relevant information is not known when a person is created and the next commitment run would have errors

Financing Status Infotype Structure (cont.)

- Using the function **Create Commitment**,  you can start a commitment run that updates the financing for the selected objects online
- It is usually not necessary to start the commitment run manually because programs for automatic commitment creation can be planned as periodic jobs in **Customizing of Position Budgeting and Control**
 - This ensures that the program regularly determines the new financing for all objects that were flagged for refinancing and without manual intervention



Automatic Generation of Personnel Commitment

- The system automatically determines the budgets that should be debited with personnel expenses from master data or cost distribution that was defined in Organizational Management and/or HR master data infotypes
- The account assignments that can be derived from existing account assignments under certain circumstances (for example, funds center from cost center) are automatically determined from Funds Management using the derivation rules



**Key
Feature**

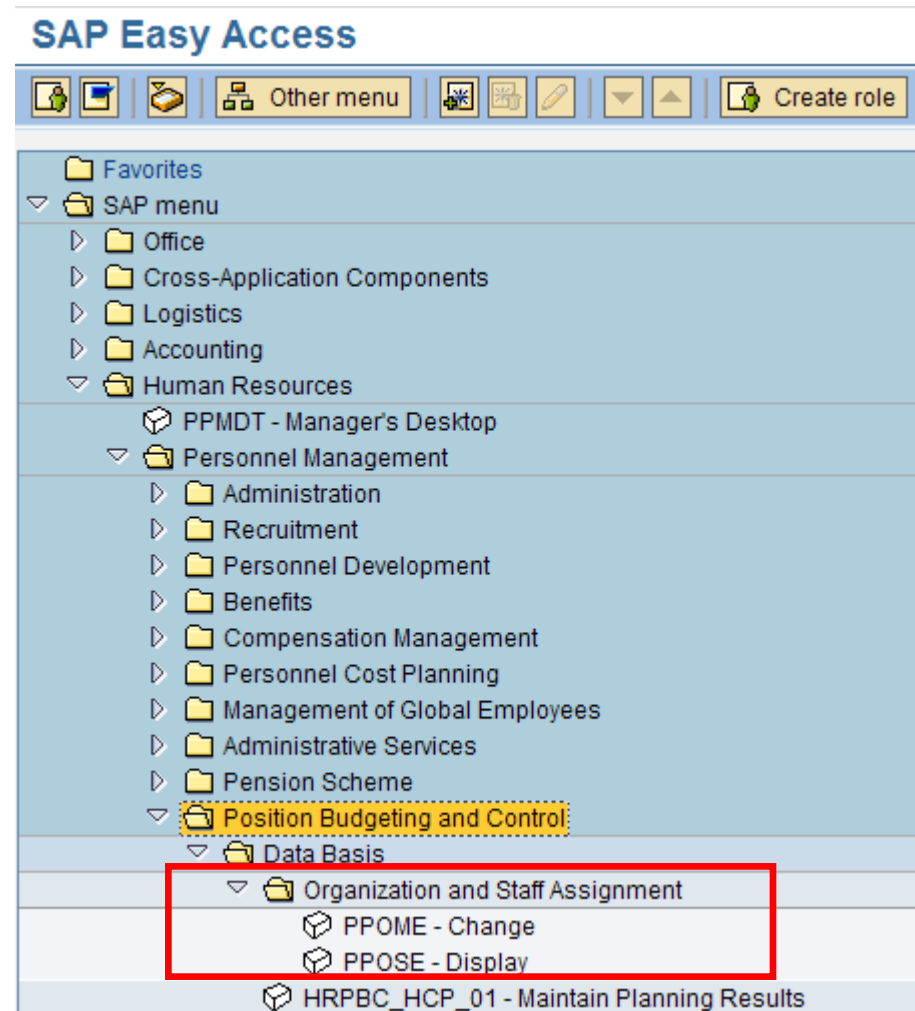
Financing Status Infotype Structure

- **Financing Overview** shows the amount and the time gradient of the commitments created and which account assignments are debited
- You can review all entries generated for each month for each associated G/L and cost object

Financing Overview											
End Date	Item	Des.Type	Doc.No.	Item	Start Date	End Date	⊞	Amount	Crcy	C	E
10/31/2008	3	30	<u>4000006652</u>	1	10/01/2008	10/31/2008		<u>96.05</u>	USD		1 ▲
10/31/2008	4	30	<u>4000006653</u>	1	10/01/2008	10/31/2008		<u>159.57</u>	USD		1 ▼
10/31/2008	6	30	<u>4000006655</u>	1	10/01/2008	10/31/2008		<u>181.63</u>	USD		1
10/31/2008	15	30	<u>4000006664</u>	1	10/01/2008	10/31/2008		<u>343.68</u>	USD		1
10/31/2008	10	30	<u>4000006659</u>	1	10/01/2008	10/31/2008		<u>462.24</u>	USD		1
10/31/2008	2	30	<u>4000006651</u>	1	10/01/2008	10/31/2008		<u>468.97</u>	USD		1
10/31/2008	14	30	<u>4000006663</u>	1	10/01/2008	10/31/2008		<u>1,677.98</u>	USD		1
11/30/2008	9	30	<u>4000006672</u>	1	11/01/2008	11/30/2008		<u>0.48</u>	USD		1
11/30/2008	8	30	<u>4000006671</u>	1	11/01/2008	11/30/2008		<u>2.37</u>	USD		1
11/30/2008	13	30	<u>4000006676</u>	1	11/01/2008	11/30/2008		<u>12.10</u>	USD		1 ▲
11/30/2008	5	30	<u>4000006668</u>	1	11/01/2008	11/30/2008		<u>32.68</u>	USD		1 ▼

Organization and Staff Assignment

- You can define the financing requirements of a position using the infotype **Planned Compensation** in the organizational structure
- The program determines the financing requirements of vacant positions on the basis of **Personnel Cost Planning**
 - ◆ In this case, **Personnel Cost Planning** evaluates the infotype **Planned Compensation**



Personnel Cost Planning and Payroll Simulation

- **When the financing requirements of a person are determined, there are two possibilities:**
 1. **The position is occupied**
 2. **A person is financed without a position**
- **The financing requirements are also calculated on the basis of Personnel Cost Planning**
 - ♦ **You can use payroll simulation to calculate the requirements**

Personnel Cost Planning and Payroll Simulation (cont.)

- It is possible to determine the financing requirements on the basis of the master data (infotype Basic Payments) without using payroll simulation
- But you should use payroll simulation to guarantee the consistency of the data in the system and to increase the accuracy of the financing requirements determined

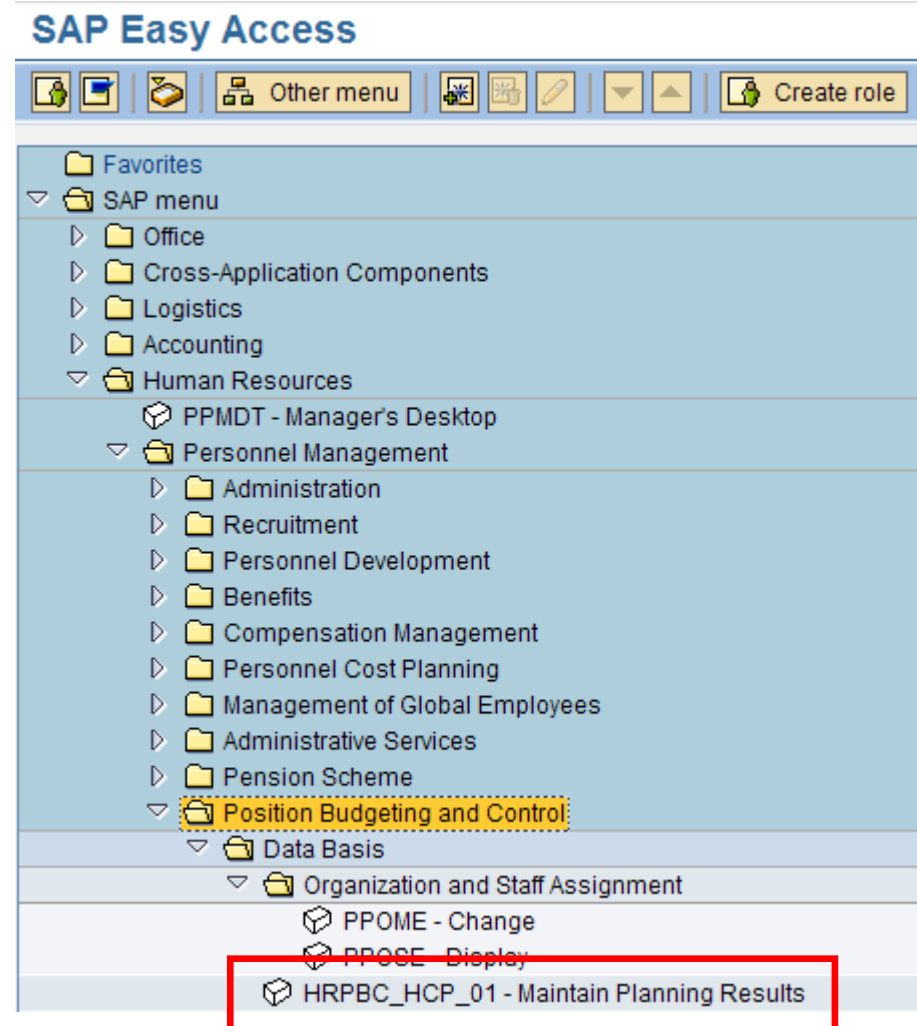


Where to Find It

▼	Settings for Detail Variant
▼	Settings for Payroll Simulation
	Create Program Variant of Payroll Program
	Determine Payroll Program Variant for Simulation
	Activate Payroll Simulation for Detail Variant
	Enter Posting Date for Payroll Simulation
▼	Settings for Personnel Cost Planning (PCP)
	Settings Required for Personnel Cost Planning
	Assign Report Variants for Data Collection in the PCP of a Detail Variant
	Assign for Data Basis for Data Collection in PCP of Detail Variant
	Assign Planning Context/Scenario from PCP of Detail Variant

Maintain Planning Results

- This function facilitates the maintenance of the cost items relevant for planning
- Personnel Cost Planning generates plan data for a personnel cost plan from these cost items
- The data collector of Personnel Cost Planning is run for a particular data basis
 - ◆ The results are evaluated using the planning context



Business Processes Affected By Commitment Creation

- **Business processes affected by the commitment creation functionality:**
 - ♦ **Creation of positions**
 - ♦ **Hiring employees**
- **Processes that can affect the activation of recording personnel cost savings:**
 - ♦ **Salary increases for employees**
 - ♦ **Reduction of an employee's working time**
 - ♦ **Unoccupied positions**



Where to Find It

▼	Commitment Creation
▣	HRPBC_ENGINE_FS - Free Selection
▣	S_P1H_12000029 - Flagged Objects and Completed Messages
▣	HRPBC_ENGINE_P - Commitment Creation for Persons
▣	HRPBC_LOG - Display Logs for Commitment Run
▣	HRPBC_CREATE_EARMARK - Post Funds (Pre)Commitments
▼	Personnel Cost Savings
▣	HRFPM_VACANCY_DISP - Generate Personnel Cost Savings from Vacancies
▣	HRPBC_DIFF_SOLVE - Remove Funds Block

Encumbrances: Adjustments to Financing

- **Financings are adjusted if the financing requirement for a person or position changes between two commitment runs**
 - ◆ **If the new financing requirements are lower than the old ones, a personnel cost saving has been made**
 - ▶ **The vacancy for a position that was not occupied in the past is removed and the financing requirement is therefore lower than originally assumed**
 - ▶ **An employee reduces his/her working time and this reduces the financing requirement**
 - ◆ **If the new financing requirement is higher than the previous one there is an overrun of personnel costs**
 - ▶ **An employee received an unplanned salary increase**

Encumbrances: Adjustments to Financing (cont.)

- To evaluate changes to the financing requirements or to make a budget that is no longer required inaccessible, activate **Recording of Personnel Cost Savings**
 - Includes the recording of overruns of personnel costs
- To evaluate the type and amount of commitment changes (personnel cost savings and/or overrun of personnel costs) the system makes during the commitment creation due to changes in the personnel master data that are relevant to the budget, use function **Recording of Personnel Cost Savings**



Where to Find It



Encumbrances: Adjustments to Financing (cont.)

- You can make a released budget inaccessible by defining that the system automatically creates a funds block for the amount of the personnel cost savings in Funds Management
- The budget can only be used for another purpose when the funds block has been removed

Display IMG

Define Start of Recording of Personnel Cost Savings			
Grouping	Start Date	End Date	Personnel Cost Savings
01 TEST	01012009	12319999	<ul style="list-style-type: none"> 0 No Log 1 Change Log with Funds Blocks 2 Log without Funds Blocks

Define Recording of Personnel Cost Savings

- Define Grouping for Recording of Personnel Cost Savings
- Assign Grouping for Recording of Personnel Cost Savings
- Define Start of Recording of Personnel Cost Savings

SAP Easy Access

Personnel Cost Savings

- HRFPM_VACANCY_DISP - Generate Personnel Cost Savings from Vacancies
- HRPBC_DIFF_SOLVE - Remove Funds Block

Lift Funds Block

Find by

- Organizational unit
- Person
- Position
- Document Search
- Object history

Welcome to Position Budgeting and Control!


You are on the initial screen on which you can *Lift Funds Blocks*.

Special Features of Payroll

- In payroll you settle your employees' basic pay as well as possible special payments, overtime, bonuses, etc. for a payroll period at a certain date
- Before payroll is run, ensure that the financings are up-to-date for all employees for which payroll is to be run
 - ◆ Payrolls cannot be run for persons not flagged for refinancing

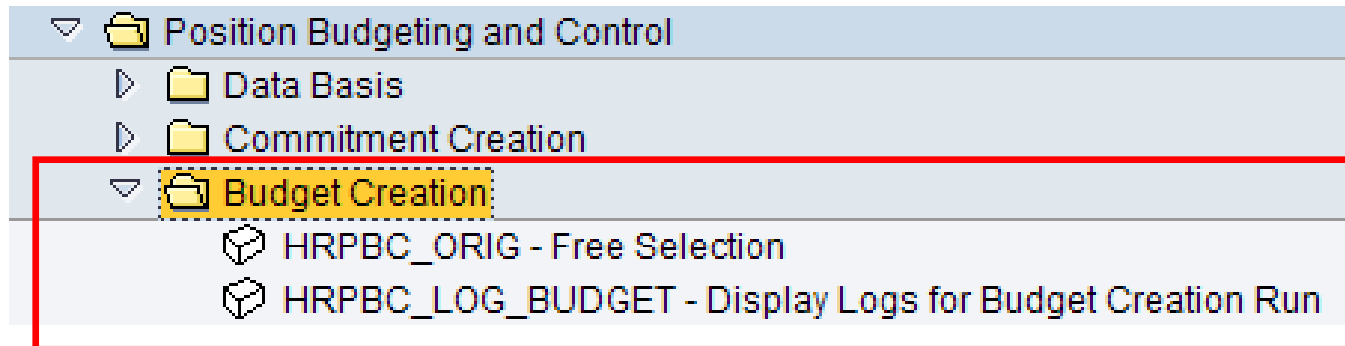
Display Financing Status (0724)

Information on Commitment/Budget Creation	
Subtype	Commitments
Type of Commt Creation	Commitment/Budget Creation Acti... <input type="checkbox"/> Lock
Change Status	Marked for New Financing
Error date	09/01/2008
Date of Last Run	01/13/2009
Run Number	9000004166
Global Status	Error



Budget Creation

- Use this function to create budget data for employees (persons) and positions
- Budget planning is important because it accounts for the largest block of expenditure in public administrations
- If you transfer the budget data for planned personnel expenditure to Funds Management, you can use the functions of PBC for budget planning, budget management, and monitoring available funds

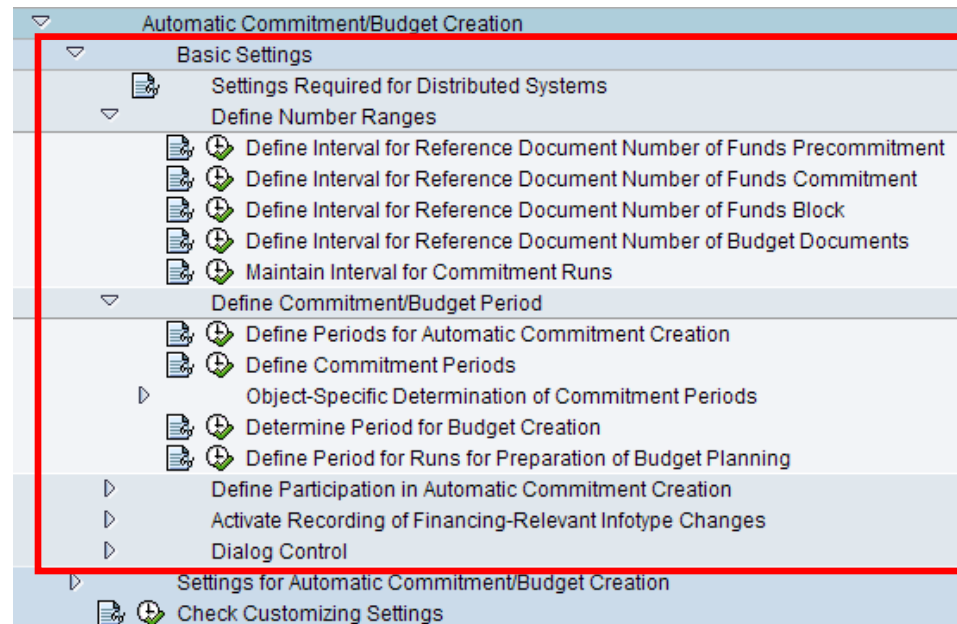


Budget Creation Prerequisites

- The settings for automatic commitment/budget creation must be defined in **Customizing of Position Budgeting and Control**
 - ◆ Define Interval for Reference Document Number of Budget Documents
 - ◆ Define Period for Budget Creation
 - ◆ Define Subtypes for Budget Creation
 - ◆ Define Run Variant for Budget Creation



Where to Find It



Budget Creation Prerequisites (cont.)

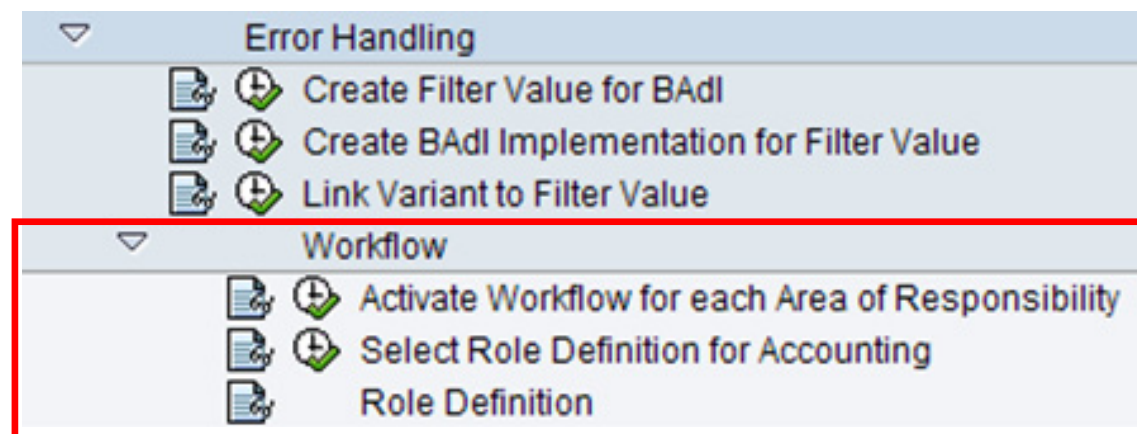
- **In Customizing of Funds Management, you must define settings in the IMG activity Define Budgeting Data for Transfer from Personnel Budget Planning**
- **You can create budget data for persons and/or positions**
 - **If you select organizational units, the program creates budget data for all positions/persons that are assigned to the selected organizational unit**
- **The program creates a budget document for each FM account assignment regardless of how many persons/positions were created for this budget**

Budget Creation Prerequisites (cont.)

- **The program derives the FM-specific data that it cannot determine from personnel cost planning from the settings made in the IMG activity Define Budgeting Data for Transfer from Personnel Budget Planning**
 - ♦ **The period for which the program creates budget data is defined in Customizing of Position Budgeting and Control**

Workflow Support: PBC Commitment Run

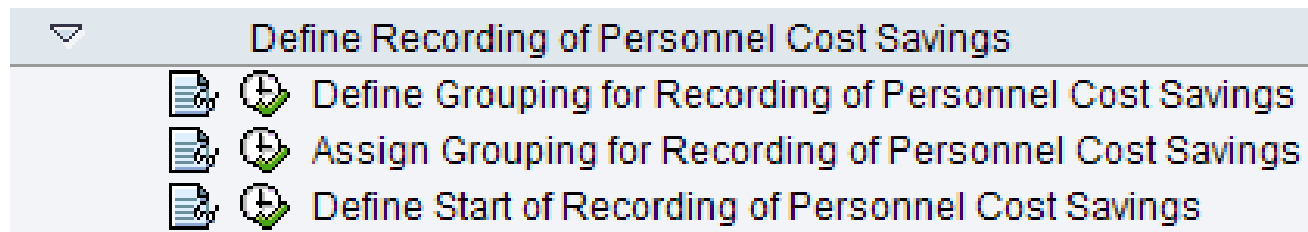
- **Workflow support in processing of messages**
 - ♦ If errors occur during the commitment run, the system automatically informs the person responsible
 - ♦ SAP delivers a number of different areas of responsibility to which persons responsible can be assigned to in the system
 - ♦ According to the message, the system determines the person responsible who receives a detailed message log to help process the message



Personnel Cost Savings: PBC Commitment Run

- **Personnel cost savings**

- Using personnel cost savings, it is possible to assign a budget that is not required (for example through changes in financing requirements) instead of releasing it immediately
- This makes it possible for the processor to decide whether only part of the budget should be released and part of it transferred to another account assignment
- Information on when and why these personnel cost savings were created
- Funds blocks are used in Funds Management to assign this budget

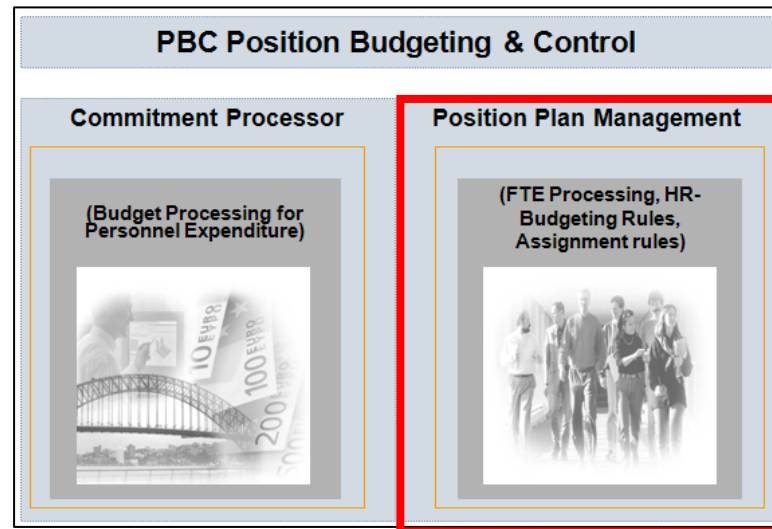


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Position Plan Management Functionality

- Position schedule
- Full-time equivalent (FTE) processing
- Availability report
- HR budgeting rules
- Assignment rules
- Enhanced reporting



Personnel Budget Plan Management

- **Manages the funds that are available according to the personnel budget plan**
- **Provides the tools required to map the personnel budget plan and assign persons and positions to the personnel budget plan**



**Administration
of budgets**



**Maintain Org structure and
personnel master data**

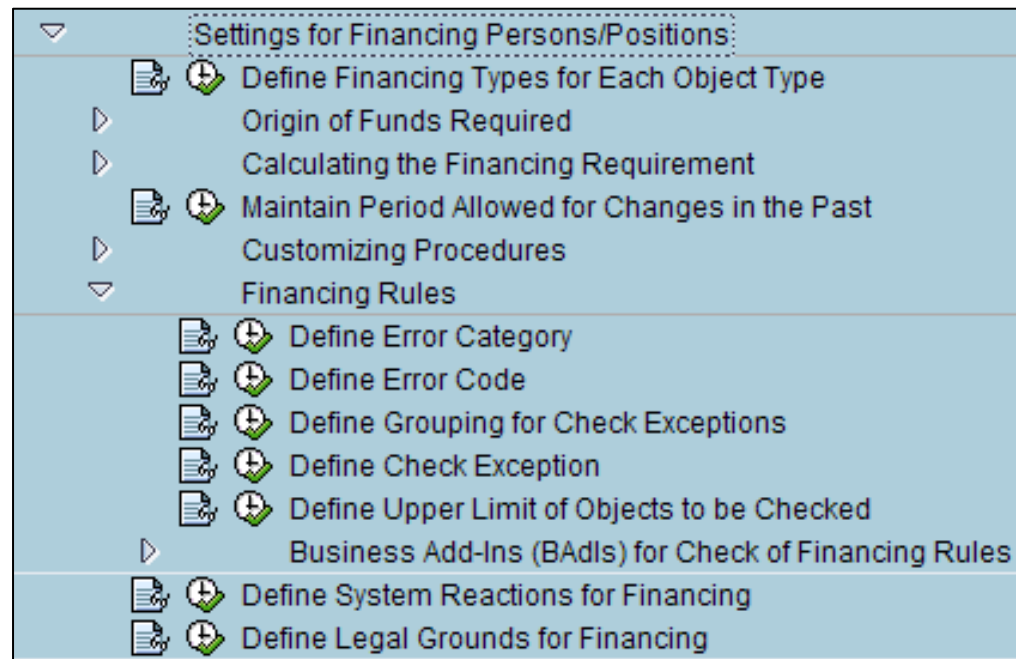
Mapping the Personnel Budget Plan

- In personnel budget management it is possible to map any personnel budget plan structure
- It can be mapped without any reference to a financial year
- Rules such as reclassification or remove can be defined in this structure

▼	Personnel Budget Plan Management
▷	Bases
▷	Defining Budget Structure Element Types
▷	Budget Updates
▷	Rules Used for Budgets
▷	Pay Scales and Pay Scale Classifications
▷	Settings for Financing Persons/Positions
▷	Budget Year Change
▷	Information System

Assigning Persons or Positions to the Personnel Budget Plan

- The financing of the person and position can be mapped using the assignment from the personnel budget plan
- Active availability control is provided for this
- Financing rules defined by customers can be checked in the assignment



Personnel Budget Planning Public Sector

- In public sector organizations, personnel expenditure (personnel budget) accounts for a significant part of the overall budget
- Personnel budget planning enables an organization to obtain a reliable picture of the personnel budget of the coming planning periods
- Personnel budget planning simplifies budget planning by making HR data (full-time equivalents, cost distribution, personnel costs) available as reference data as they were maintained/calculated in the system for the plan year



**Best
Practice**

Full-Time Equivalent (FTE) Budgets

- A *budget structure element type* determines the attributes (name and evaluation) of budget structure element
- This specifies whether the budget structure element type is defined in monetary amounts, or full-time equivalents

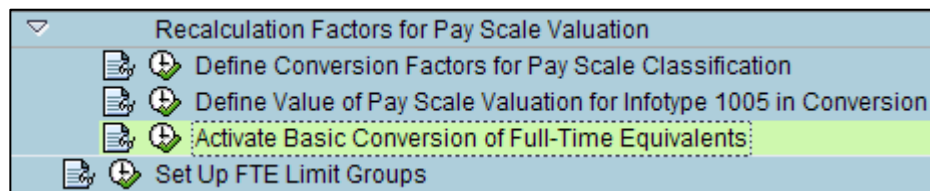
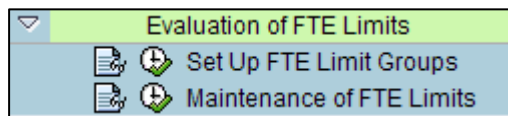
Display View "Maintain Budget Structure Element Type": Overview

Budget section: 01
Name: HR Funds and Position Management

BS	BS el.type	Mon.budget	Unit	Unit	Allocat.
0001	Personnel Expend.	<input checked="" type="checkbox"/>			<input type="checkbox"/>
0002	Wages	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
0003	Salaries	<input checked="" type="checkbox"/>			<input checked="" type="checkbox"/>
0004	Students	<input checked="" type="checkbox"/>			<input type="checkbox"/>
0005	Pay scale group 1-3	<input type="checkbox"/>	STA	Full-time equivalent	<input checked="" type="checkbox"/>
0006	Pay scale group 4-5	<input type="checkbox"/>	STA	Full-time equivalent	<input checked="" type="checkbox"/>

Rules Used for Full-Time Equivalent (FTE) Budgets

- Use the **Activate Basic Conversion of Full-Time Equivalents** function if you can see from the structure of the personnel budget plan that the financing requirements of positions or persons are going to change in the future
- The rules for budgets contain budgeting rules and reclassification rules
 - They can be defined only for budget structure elements whose budget is managed in full-time equivalents
- **Reclassification rules are used to change the classification (assignment to a particular salary group) of a full-time equivalent**



Rules Used for Full-Time Equivalent (FTE) Budgets (cont.)

- If a rule for FTE budgets should be listed in the explanations of budget and position plans, you must flag it as an external budgeting rule
- You can continue to edit, delimit, or completely delete rules for FTE budgets after saving the FTE budget and/or changing the budget administration data
- If a budget structure element has rules for FTE budgets, they are displayed in the overview area of Processing of Position Plans of the column Budgeting Rule or Reclassification Rule

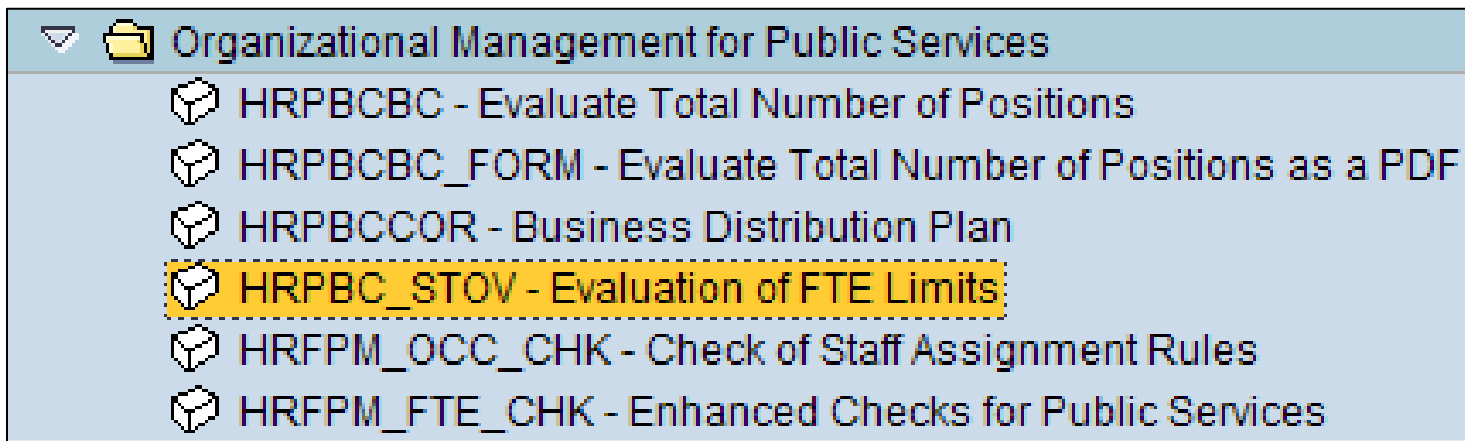


Heads-Up

Rules Used for Budgets	
▼	Budgeting Rules
	Convert Budgeting Rules when Switching from Position Management
	Define Budgeting Rules
	Assign Budgeting Rule to a Budget Structure Element Type
	Set Up Reassignment Lock
▼	Reclassification Rules
	Define Reclassification Rules
	Assign Reclassification Rule to a Budget Structure Element Type
	Activate Basic Reclassification

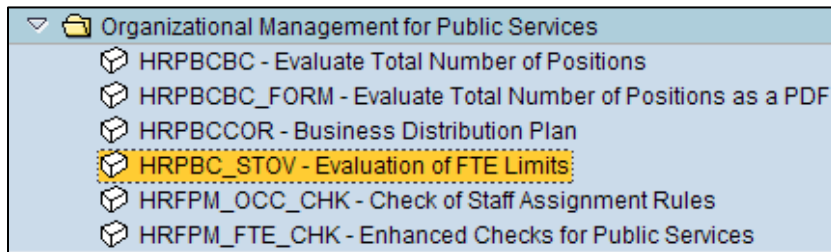
Full-Time Equivalent (FTE) Limits

- This report helps you to determine whether the number of FTEs that are allowed for an FTE limit group was kept to
- FTE limit groups were defined in Customizing of Position Budgeting and Control and the FTE limits (the number of full-time equivalents allowed for an FTE limit group) are then determined
- The relevant FTE limit groups were entered for the positions in the maintenance of the organizational plan (PA-OS)



Full-Time Equivalent (FTE) Limits (cont.)

- The report displays the FTE limit that was defined in customizing of Position Budgeting and Control for each FTE limit group selected
- The number of positions actually assigned to this FTE limit group is also displayed
- The difference between these two values is displayed so that you can see whether the FTE limit allowed was complied with



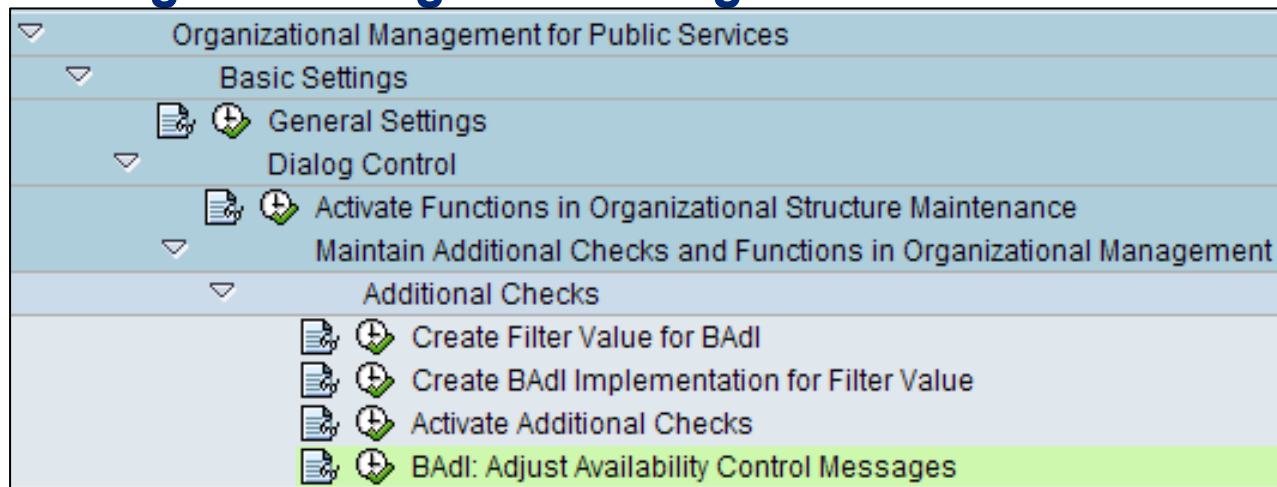
A screenshot of the 'Evaluation of FTE Limits' report configuration screen. The screen has a title bar with the text 'Evaluation of FTE Limits' and two icons (a green checkmark and a blue 'i' icon). Below the title bar, there are several input fields and checkboxes. The 'Plan version' field contains the value '01'. The 'FTE Limit Group' field has a checked checkbox. The 'Key Date' field contains the value '01/10/2009'. Below these fields, there is a checkbox labeled 'only with relevance to PBP' which is currently unchecked. At the bottom of the screen, there is a section titled 'Pay Scale Group from/to Valuation' with two radio button options: 'Lower value' (which is selected) and 'Upper value'.

Availability Control

- This function allows active fund controlling
- Availability control prevents persons or positions from budget structure elements with insufficient budget from being financed
- The system also calculates full-time equivalents in monetary amounts
- You can define check exceptions in customizing of Position Budgeting and Control which you use to switch off the availability check for funds
- Availability control is automatically carried out on all transactions that use or change the budget of a budget structure element



Note



Availability Control (cont.)

- To evaluate availability control, choose the following from the SAP Easy Access screen Human Resources → Personnel Management → Position Budgeting and Control → Information System → Personnel Budget Plan Management → Financing → Availability Control



Where to Find It

A screenshot of the SAP Easy Access navigation tree. The tree is organized into several levels of folders. The top level is 'Position Budgeting and Control', which is expanded to show sub-folders: 'Data Basis', 'Commitment Creation', 'Budget Creation', 'Preparation of Budget Planning', 'Personnel Budget Plan Management', and 'Information System'. The 'Information System' folder is expanded to show 'Commitment Creation', 'Budget Creation', 'Preparation of Budget Planning', 'Organizational Management for Public Services', and 'Personnel Budget Plan Management'. The 'Personnel Budget Plan Management' folder is expanded to show 'Position Plan' and 'Financing'. The 'Financing' folder is expanded to show a list of transactions: 'HRPBC_FINLIST - Financing Analysis', 'HRPBC_AVC - Availability Control', 'HRPBC_LIFI - Financing Overview', 'HRPBC_REQ - Determine Financing Requirement', 'HRPBC_FIN_CHK - Check Financing Rules', and 'HRPBC_PCHK - Check Violation of Earmarking'. The 'HRPBC_AVC - Availability Control' transaction is highlighted with a yellow dashed border.


Availability Control (cont.)

- Availability control enables FTE checks and customizable system reaction



Tool

Availability Control Personnel Budget Plan Management



Objects

Plan version: 01 current plan

Object type: BU Budget Structure Element

Object ID:

Search Term:

Object status: All existing

Reporting period

Today All

Current month Past

Current Year Future

Structure parameters

Evaluation Path: BU-BU PMG: Budget hierarchy - budget

Status vector: Status overlap

Display depth:

Selection Period

Start Date: 01/10/2009 to 01/10/2009

Availability Control Examples

- A person's current position FTE percentage deviates from an existing FTE percentage of a position you'd like to finance the person from ...
- The position you would like to finance the person from would have a lock note beginning in July
 - ♦ As a result, the available FTE is 1 until the end of June and .05 through infinity
- Assigning a person at 100% will result in an error
- The person can be assigned with only 50% to the position



Decision
Point

HR Budgeting Rules

- Flexible, user-defined budget rules to reflect and enforce organizations' HR strategies
- Budgeting rules reduce the budget made available by full-time equivalents
- There are event-controlled and date-controlled budgeting rules
 - ◆ You create event-controlled budgeting rules if you do not know when the budget can be reduced when you create the budgeting rule
 - ◆ If you are working with position plans with financial years, you can define budgeting rules if the budget has budget execution status *proposed*, *released*, *provisionally released*, or *under revision*



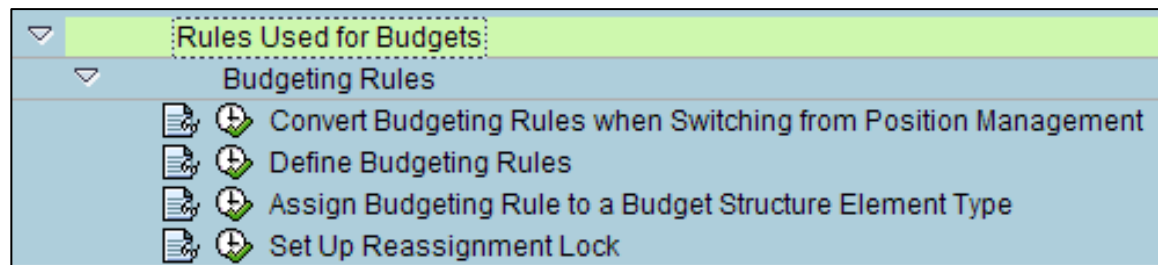
Note

HR Budgeting Rules Example

- You have a budget structure element with budget from a full time equivalent in your budget
- The Accounting Clerk position is financed from this budget and is held by Mr. Miller
- Mr. Miller is going to retire on June 30 of the current year
- The position will then be obsolete and the budget used to finance this position can be saved
- You can block the budget from July 1 by defining a *date-controlled budgeting rule*



Where to Find It

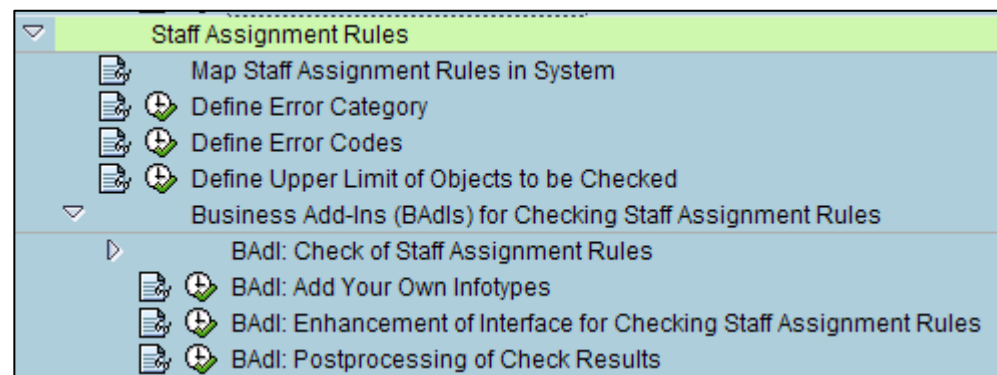


Assignment Rules

- The system recognizes different classifications between a person and a position
- Assignment rules enable a whole range of checks for all kinds of assignments and customizable system reactions
- You can specify how the system should react with an error message, a warning, or information
- A vacancy can be delimited and a person can be assigned to a position
- A person's pay scale grouping deviates from a planned compensation of a position you would like to assign the person



Where to Find It











Enhanced Reporting: Enhanced Checks for Public Services

- Use this report to check whether the additional checks that you set up in customizing of Position Budgeting and Control for the organization of public services were actually kept to during the assignment of positions
- You can enter the checks that the report should carry out in the field **Filter Values for Checks**
 - The filter values you see in the input help are defined in the section **Additional Checks**



Where to Find It

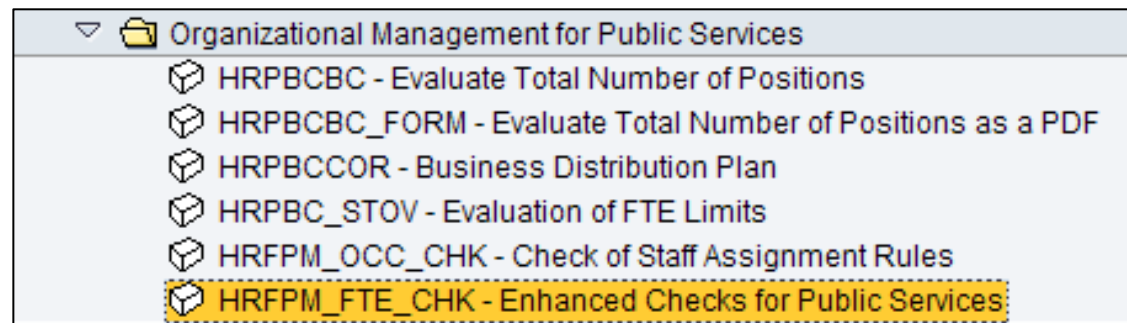
▼	Maintain Additional Checks and Functions in Organizational Management
▼	Additional Checks
	 Create Filter Value for BAdI
	 Create BAdI Implementation for Filter Value
	 Activate Additional Checks
	 BAdI: Adjust Availability Control Messages

Enhanced Checks for Public Services

- The report selects all staff assignments under the organizational object entered along the evaluation path and carries out the additional checks selected on all staff assignments found
- You can use the Options for List Output if you have created a special layout for background processing
- You can determine whether the error messages should be issued in a non-hierarchical or hierarchical Application List Viewer (ALV) output report

Enhanced Checks for Public Services (cont.)

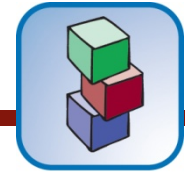
- To carry out additional checks, choose the following from the SAP Easy Access screen: Human Resources → Personnel Management → Position Budgeting and Control → Information System → Organizational Management for Public Services → Enhanced Checks for Public Services



What We'll Cover ...

- **Linking HR and finance to facilitate joint decision making**
- **Controlling budgets with the PBC commitment processor**
- **Managing a PBC personnel budget plan**
- **Exploring PBC integration components**
- **Stepping through a PBC step-by-step processing example**
- **Wrap-up**

Integration Components



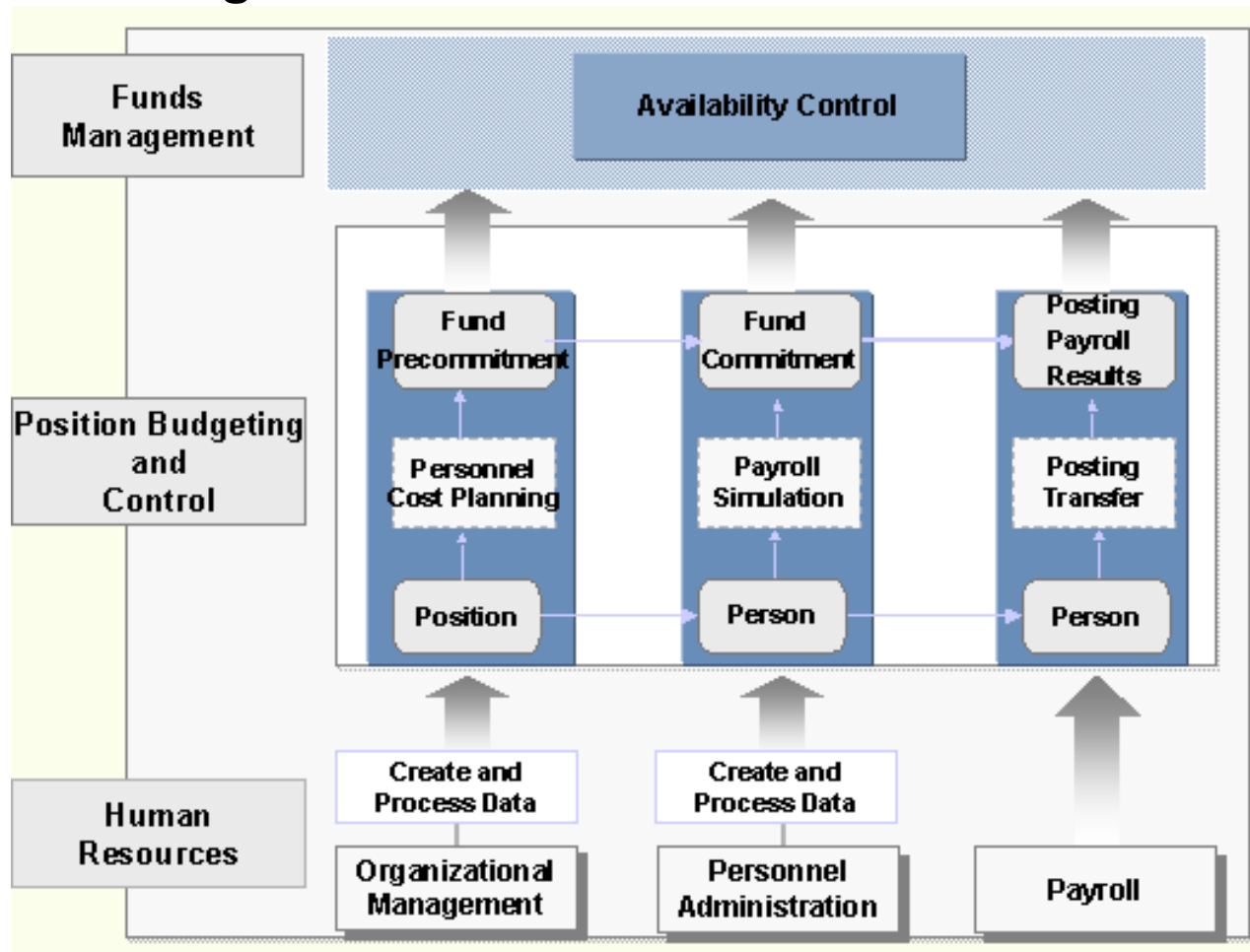
**Building
Blocks**

- **Organizational Management**
- **Personnel Administration**
- **Payroll**
- **Personnel Cost Planning**
- **Funds Management**

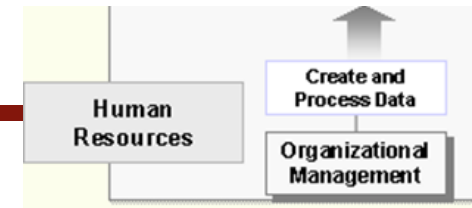
PBC Integration Components

Organizational Management
Payroll
Funds Management

Personnel Administration
Personnel Cost Planning



Organizational Management



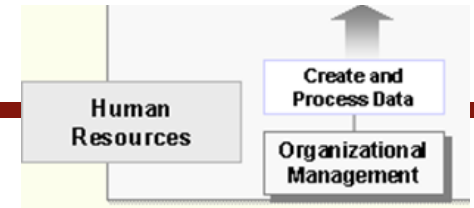
- **Basic Data**

- ♦ As soon as a position has the status vacant, commitment is generated for it in an automatic run for commitment creation
- ♦ The program derives the time period for which the commitment should be generated from the period the date of the commitment run contains

- **Account Assignment**

- ♦ Different groupings can be defined that can be activated for participation in automatic commitment creation (period-dependent)
- ♦ Fields including company code, personnel area, and personnel sub-area are available for assignment to this grouping

Organizational Management (cont.)



- **Cost Distribution**

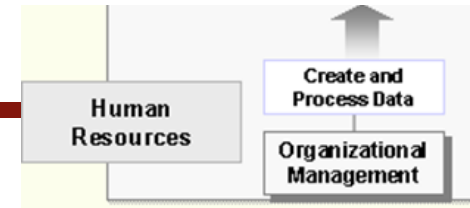
- Cost distribution describes who covers the funds requirement of a position or person
 - ▶ **It is possible to distribute to different account assignments in percentages**

- **Funds Management**

- The system automatically determines the Funds Management (FM) account assignments (the budgets of which are debited) from the account assignments entered
- You can find information on the derivation strategy used to derive values from FM account assignments from other account assignments in the implementation guide (IMG) of Funds Management under **Assignments to Account Assignments from Other Components**



Organizational Management (cont.)



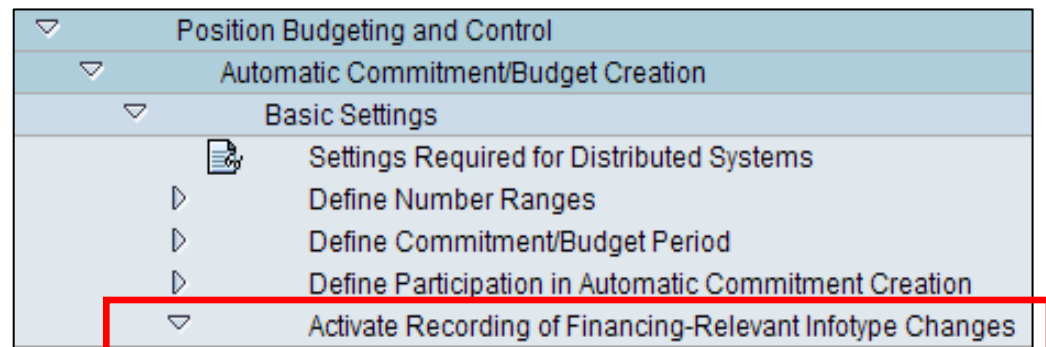
- **Person Responsible for Financing**

- ♦ When you use Position Budgeting and Control, you should ensure that there is one person (or position) responsible for the financing in each area of the organization
- ♦ The person responsible for financing is entered in the organizational unit in the tab Responsibility for Financing and passed on to the object below it
 - ▶ If there is an error in an object, the role definition that was defined in Customizing of Position Budgeting and Control is run
- ♦ The processor is determined from the area of responsibility in which the error occurred
 - ▶ The processor is then informed automatically about the error
 - ▶ If the system does not find a person responsible, it determines the run administrator for commitment creation

Personnel Administration



- The information in the HR master record forms the basis for determining the financing requirement
- All relevant information from the HR master record is taken into account in the payroll simulation
- The amount and time-based distribution of the financing requirement of the person are determined from this
- The system automatically recognizes any changes to the financing information and this leads to the person being refinanced
- The changes that are relevant to financing are defined in Customizing of Position Budgeting and Control in the section Activate Recording of Financing-Relevant Infotype Changes



Payroll



- In the payroll simulation process, the system determines the financing requirement of a person
- This requirement is used as a basis for the creation of commitment documents
- You receive an accurate prediction of the expected financing requirement as all functions of real payroll can be used
- During the actual payroll run, the commitment documents created during a run for commitment creation are saved in the payroll result
- When the payroll results are posted to Funds Management, the actual amounts incurred are posted with reference to the commitment documents generated during commitment creation

Personnel Budget Plan Management

- **Create your position plan, assign a budget (full-time equivalents or money) and then manage it**
- **Personnel budget plan management depicts the position plan as an attachment of the overall budget plan**
 - ♦ **It is a hierarchical arrangement of budget structure elements**
- **Basic Data/Evaluation**
 - ♦ **Evaluation is only possible for budget structure elements with a full-time equivalent budget**
 - ♦ **If you assign an employee group and employee subgroups to a budget structure element, the data for evaluation that was entered in the IMG activity Define Proposal for Pay Scale Data is proposed for the subordinate budget structure elements**

Personnel Budget Plan Management (cont.)

- **Original Budget**
 - ♦ **The budget assignment forms the basis for the management of the overall budget, for example for financing of persons or position**
 - ♦ **If the budget structure element comes from a position plan for a financial year, you can enter either a monetary amount or a number of full-time equivalents for the original budget**
 - ♦ **The type of budget possible for a budget structure element has been defined in Customizing of Position Budgeting and Control in the IMG activity Maintain Budget Structure Element Types**
 - ♦ **The original budget can only be entered in the form of full-time equivalents if the position plans do not refer to a budget structure element**

Personnel Budget Plan Management (cont.)

- **Financing from the Position Plan**
 - ♦ In personnel budget plan management, financing or management means the connection between budget structure elements and the objects to be financed, such as persons or positions
- **Budget Updates**
 - ♦ You can use budget updates to change the budget of a budget structure element
- **Transfer Postings**
 - ♦ You can transfer budget from one budget structure element to another to cover budget shortages
 - ♦ The functions you can use for transfer postings depend on the type of position plan

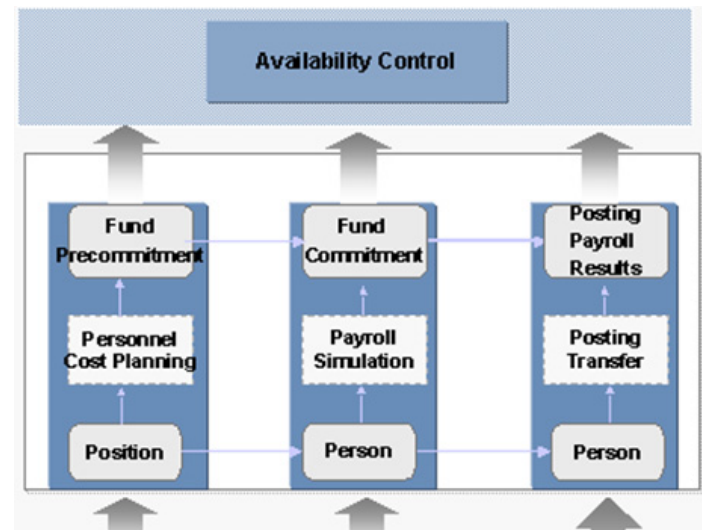
Personnel Budget Plan Management (cont.)

- **Budgeting Rules**

- Budgeting rules reduce the budget made available by full-time equivalents
- By defining a reclassification rule for a budget structure element, you define a reminder to change the pay scale classification for its budget

- **Monitoring Tasks**

- Use this function if you want the system to remind you of deadlines for which follow-on activities are required for a budget structure element



What We'll Cover ...

- **Linking HR and finance to facilitate joint decision making**
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Mass PBC Execution



- Transaction HRPBC_ENGINE_FS

Start of Automatic Commitment Creation Run

Welcome to Position Budgeting and Control!

You are on the initial screen from which you can start the *Run for Automatic Commitment Creation*.

The user interface is divided into three screen areas:

- In the **Search Area** (top left corner) you can start the search for objects that should be financed.
- In the **Selection Area** below this, the system displays the results of the search. The search area and selection area together form the **Object Manager**.
- In central screen area **Work area**, the system displays the employees and positions to be financed.

How to start:

1. Choose the objects to be financed in the search area under *Search for*. You can choose an appropriate search function for this (e.g. *Structure Search*). Limit the search even further if necessary by entering a name or key.

To choose the objects, you can also use the *Search variant* as an alternative.

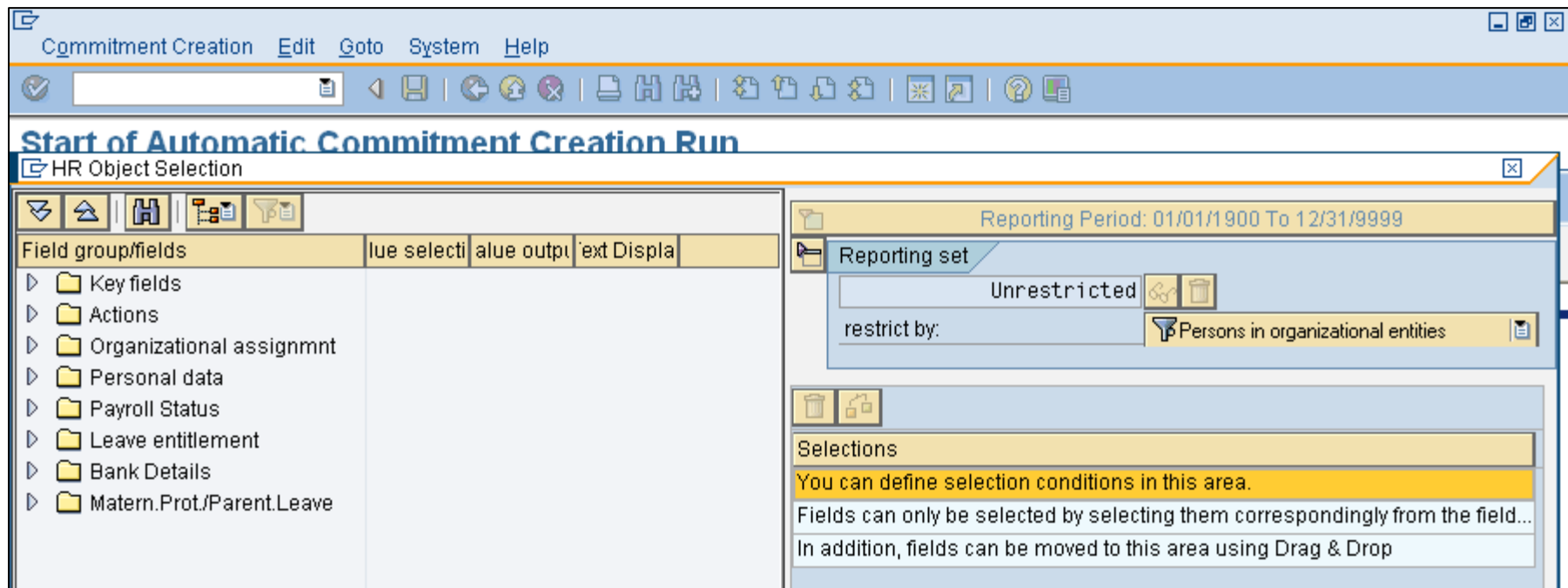
1. The system displays the objects that match your search criteria in the selection area.
2. Copy the desired object into the work area by double clicking on it.
If you choose an organizational unit, all positions and employees assigned to this organizational unit are automatically selected. The positions/employees that belong to the organizational unit(s) on the level below are also selected.
3. You can start a run for automatic commitment creation either **directly** or *In the background* for all selected objects.
4. The message log is displayed if you start the run directly.

Existence	Employee	Code	ID
	Mark Allen Watling	P 00007018	P

Selection of Specific Employee Groups



- To select a specific EE group, use the Search function
- Field options are available for each field group folder



Selection of Specific Employee Groups (cont.)



- Field options are available for each field group folder

Commitment Creation Edit Goto System Help

Start of Automatic Commitment Creation Run

HR Object Selection

Field group/fields	Value select	Value output	Text Display
Key fields			
Personnel number	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Actions			
Reason for action	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Action type	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Customer-specific status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employment status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Special payment status	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Leaving date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Entry date	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Length of service (in days)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Length of service (in months)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Length of service (in years)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Organizational assignment			
Payroll Area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Work contract	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Personnel subarea	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Company code	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Formatted name of employee	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Funds center	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Fund	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Business Area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legal person	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Controlling area	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Cost center	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Reporting Period: 01/01/1900 To 12/31/9999

Reporting set: Unrestricted

restrict by: Persons in organizational entities

Selections

You can define selection conditions in this area.

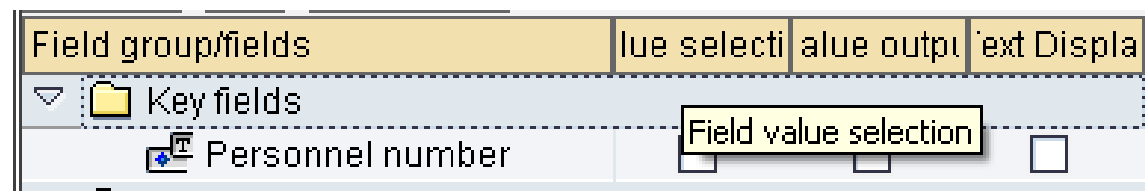
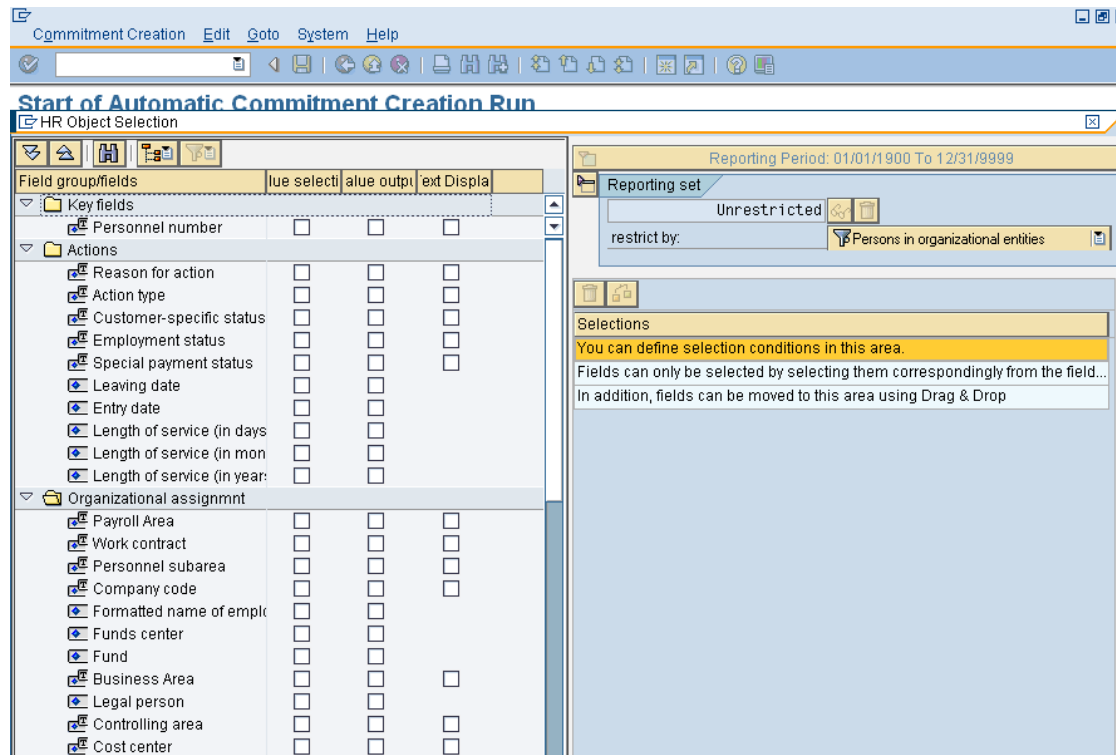
Fields can only be selected by selecting them correspondingly from the field...

In addition, fields can be moved to this area using Drag & Drop

Selection of Specific Employee Groups (cont.)



- Select the desired option, such as the personnel number field ...



Selection of Specific Employee Groups (cont.)



- Enter the desired object, personnel number(s) in this example ...

Start of Automatic Commitment Creation Run

Existen...	Employee	Code	ID
		P 00026935	P 0

Welcome to Position Budgeting and Control!

You are on the initial screen from which you can start the *Run for Automatic Commitment Creation*.

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- In central screen area **Work area**, the system displays the employees and positions to be financed.

How to start:

1. Choose the objects to be financed in the search area under *Search for*. You can choose an appropriate search function for this (e.g. *Structure Search*). Limit the search even further if necessary by entering a name or key.

To choose the objects, you can also use the *Search variant* as an alternative.

1. The system displays the objects that match your search criteria in the selection area.
2. Copy the desired object into the work area by double clicking on it.
If you choose an organizational unit, all positions and employees assigned to this organizational unit are automatically selected. The positions/employees that belong to the organizational unit(s) on the level below are also selected.
3. You can start a run for automatic commitment creation either **directly** or *In the background* for all selected objects.
4. The message log is displayed if you start the run directly.

Selection of Specific Employee Groups (cont.)



- Double-click the object and then click the Create Cmmt button

Start of Automatic Commitment Creation Run

The screenshot shows a software interface with a search results pane on the left and a main workspace on the right. The search results pane has a 'Find by' section with a tree view under 'Person' containing 'Collective search help', 'Free search', 'Structure Search', 'Search Term', and 'In Own Financing Responsibility'. Below this is a 'Hit list' table with columns 'Existen...', 'Employee', 'Code', and 'ID'. The main workspace has a toolbar with a 'Create Cmmt' button. A context menu is open over the 'Create Cmmt' button, showing options 'In Dialog' and 'In the Background'. The main workspace also contains a table with columns 'OT', 'Object ID', 'Object name', 'Start date', 'End Date', and 'Abbr.'. The 'Start date' column shows '02/06/2007' and the 'End Date' column shows '12/31/9999'.

OT	Object ID	Object name	Start date	End Date	Abbr.
			02/06/2007	12/31/9999	

Existen...	Employee	Code	ID
		P 00026935 P	

Execution of Commitment Run



- When the run finishes, all folders and messages are reviewed ...

Start of Automatic Commitment Creation Run

OT	Object ID	Object name	Start date	End Date	Abbr.
			02/06/2007	12/31/9999	

Run ID/Module/Object Type/O...	Jumbe
9000004163	12
Administrator	10
Object Collector	2

Ty...	OT	Object ID	Message Text	Error Data

Run ID/Module/Object Type/O...	Jumbe
9000004164	12
Administrator	10
Object Collector	2
Message	1
Person	1
26043	1
1	1

Ty...	OT	Object ID	Message Text	LTxt	De
P		26043	The person/position does not participate in automatic bdgt/cm...	?	

Execution of Commitment Run (cont.)



- Payroll or master data errors are indicated in red ...

Start of Automatic Commitment Creation Run

The screenshot displays the SAP interface for the 'Start of Automatic Commitment Creation Run'. On the left, there is a search panel with options like 'Person', 'Collective search help', 'Free search', 'Structure Search', 'Search Term', and 'In Own Financing Responsibility'. Below this is a 'Hit list' table with columns 'Existen...', 'Employee', 'Code', and 'ID', showing a single entry: 'P 00023459 P 00023459'. The main area contains a table with columns 'OT', 'ObjectID', 'Object name', 'Start date', 'End Date', and 'Abbr.'. It lists two objects: one with start date '10/21/2004' and end date '02/28/2005', and another with start date '09/01/2004' and end date '12/31/9999'. At the bottom right, a 'Message Log' window is open, showing a tree view of the run ID '9000004166' and its components: Administrator, Data Collector, Position, Document Creation, and Commitment. The 'Commitment' component is expanded to show object '150779' with a red error icon. The message log table shows a message with 'Ty... ED', 'ObjectID 150779', and 'Message Text Error during posting to Accounting', with 'Det.' and 'Err' columns.

Otherwise, a successful run message ...



Run 9000004163 of automatic commitment creation carried out successfully

Execution of Commitment Run (cont.)



- This process can also be triggered from the master data

Display Financing Status (0724)

Person ID: [redacted] Pers.Assgn: 10016218 15001230 Teacher-V...
Personnel No: [redacted] Name: [redacted] EE group: Regular
Pers.area: C002 SEA Certificated Non Supervs... Subarea: 182 Tchrs/Lib... Status: Active
Job: 15001230 Teacher-Vocational Ed Org. Unit: [redacted]
Start: 09/01/2008 To: 12/31/9999 Chgd: 01/13/2009 C6SUN

Information on Commitment/Budget Creation

Subtype: Commitments
Type of Commt Creation: Commitment/Budget Creation Acti... Lock
Change Status: Marked for New Financing
Error date: 09/01/2008
Date of Last Run: 01/13/2009
Run Number: 9000004166
Global Status: Error

Financing Overview

Due Date	TUnit	G/L Account	CoCd	COAr	Cost Center	Order	WBS Elem.	Fund	Change	Action
10/01/2008		2011	SSD	SSD	CSA3127181			1000	0.00	
10/01/2008		4101	SSD	SSD	CSA3127180			1000	0.00	
10/01/2008		4211	SSD	SSD	CSA3127180			1000	0.00	
10/01/2008		23201230	SSD	SSD	CSA3127181			1000	0.00	
10/01/2008		4401	SSD	SSD	CSA3127180			1000	0.00	
10/01/2008		2011	SSD	SSD	CSA3127180			1000	0.00	
10/01/2008		23201230	SSD	SSD	CSA3127180			1000	0.00	
11/01/2008		4301	SSD	SSD	CSA3127181			1000	0.00	
11/01/2008		4301	SSD	SSD	CSA3127180			1000	0.00	

What We'll Cover ...

- **Linking HR and finance to facilitate joint decision making**
- **Controlling budgets with the PBC commitment processor**
- **Managing a PBC personnel budget plan**
- **Exploring PBC integration components**
- **Stepping through a PBC step-by-step processing example**
- **Wrap-up**

Wrap-Up

- **The Position Budgeting and Control functionality allows public sector organizations to manage their payroll expenditures proactively with sufficient visibility that connects HR and finance at the payroll level**
- **This achieves the objective to finance employees efficiently in accordance with budget and/or legal requirements**



**Key
Feature**

Resources

- **Online SAP Library: Position Budgeting and Control (PA-PM-PB)**
 - ♦ http://help.sap.com/saphelp_erp60_sp/helpdata/en/fa/ac97b60d533641a59fdcd422310fe8/frameset.htm
- **SAP Info: Modern HR in public services (2004)**
 - ♦ www.sap.info/archive/strategy/int_Strategy_Modern_HR_in_Public_Services_26.01.2004.html
- **PBC Organization of Public Services: IPS050**
 - ♦ www.sap.com/services/education/catalog/course.epx?context=%5B%5B%7CIPS050%7C%7C%7C062%7CG%5D%5D%7C
- **RowSix LLC PBC Resource – Chian-Chew Sun**
 - ♦ info@rowsix.net

7 Key Points to Take Home

- **The PBC Commitment Processor allows you to monitor funds usage and helps you use the budget available in Funds Management effectively**
- **The system automatically determines the budgets that should be debited with the personnel expenses from the master data or cost distribution (funds management)**
- **Workflow is supported in the processing of messages resulting in the system automatically informing the responsible person**
- **Personnel cost savings enables you to assign a budget that is not required instead of releasing it immediately, making it possible for the processor to decide whether only part of the budget should be released and part of it transferred to another account assignment**

7 Key Points to Take Home (cont.)

- **Personnel Budget Management enables you to manage funds that are available according to the personnel budget plan and provides the tools required to map the personnel budget plan and assign persons and positions to the personnel budget plan**
- **The payroll simulation process allows for the determination of the financing requirement of a person**
 - ♦ **This requirement is used as a basis for the creation of commitment documents resulting in a very accurate prediction of the expected financing requirement as all functions of real payroll can be used**

7 Key Points to Take Home (cont.)

- **During the actual payroll run, the commitment documents created during a run for commitment creation are saved in the payroll result**
 - ◆ **When the payroll results are posted to Funds Management, the actual amounts incurred are posted with reference to the commitment documents generated during commitment creation**

Your Turn!



Questions?

**How to contact me:
Cal Castleberry
calc@rowsix.net**

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