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# PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Variable Compensation

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**December 2006**

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# About This PeopleBook Preface

PeopleSoft Enterprise PeopleBooks provide you with the information that you need to implement and use PeopleSoft Enterprise applications from Oracle.

This preface discusses:

- PeopleSoft Enterprise application prerequisites.
- Application fundamentals.
- Documentation updates and printed documentation.
- Additional resources.
- Typographical conventions and visual cues.
- Comments and suggestions.
- Common elements in PeopleBooks.

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**Note.** PeopleBooks document only elements, such as fields and check boxes, that require additional explanation. If an element is not documented with the process or task in which it is used, then either it requires no additional explanation or it is documented with common elements for the section, chapter, PeopleBook, or product line. Elements that are common to all PeopleSoft Enterprise applications are defined in this preface.

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## PeopleSoft Enterprise Application Prerequisites

To benefit fully from the information that is covered in these books, you should have a basic understanding of how to use PeopleSoft Enterprise applications.

You might also want to complete at least one introductory training course, if applicable.

You should be familiar with navigating the system and adding, updating, and deleting information by using PeopleSoft Enterprise menus, pages, or windows. You should also be comfortable using the World Wide Web and the Microsoft Windows or Windows NT graphical user interface.

These books do not review navigation and other basics. They present the information that you need to use the system and implement your PeopleSoft Enterprise applications most effectively.

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## Application Fundamentals

Each application PeopleBook provides implementation and processing information for your PeopleSoft Enterprise applications.

For some applications, additional, essential information describing the setup and design of your system appears in a companion volume of documentation called the application fundamentals PeopleBook. Most product lines have a version of the application fundamentals PeopleBook. The preface of each PeopleBook identifies the application fundamentals PeopleBooks that are associated with that PeopleBook.

The application fundamentals PeopleBook consists of important topics that apply to many or all PeopleSoft Enterprise applications. Whether you are implementing a single application, some combination of applications within the product line, or the entire product line, you should be familiar with the contents of the appropriate application fundamentals PeopleBooks. They provide the starting points for fundamental implementation tasks.

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## Documentation Updates and Printed Documentation

This section discusses how to:

- Obtain documentation updates.
- Download and order printed documentation.

### Obtaining Documentation Updates

You can find updates and additional documentation for this release, as well as previous releases, on Oracle's PeopleSoft Customer Connection website. Through the Documentation section of Oracle's PeopleSoft Customer Connection, you can download files to add to your PeopleBooks Library. You'll find a variety of useful and timely materials, including updates to the full line of PeopleSoft Enterprise documentation that is delivered on your PeopleBooks CD-ROM.

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**Important!** Before you upgrade, you must check Oracle's PeopleSoft Customer Connection for updates to the upgrade instructions. Oracle continually posts updates as the upgrade process is refined.

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### See Also

Oracle's PeopleSoft Customer Connection, [http://www.oracle.com/support/support\\_peoplesoft.html](http://www.oracle.com/support/support_peoplesoft.html)

### Downloading and Ordering Printed Documentation

In addition to the complete line of documentation that is delivered on your PeopleBook CD-ROM, Oracle makes PeopleSoft Enterprise documentation available to you via Oracle's website. You can:

- Download PDF files.
- Order printed, bound volumes.

#### Downloading PDF Files

You can download PDF versions of PeopleSoft Enterprise documentation online via the Oracle Technology Network. Oracle makes these PDF files available online for each major release shortly after the software is shipped.

See Oracle Technology Network, <http://www.oracle.com/technology/documentation/psftent.html>.

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## Additional Resources

The following resources are located on Oracle's PeopleSoft Customer Connection website:

| Resource                              | Navigation                                                                                                                                                                                 |
|---------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Application maintenance information   | Updates + Fixes                                                                                                                                                                            |
| Business process diagrams             | Support, Documentation, Business Process Maps                                                                                                                                              |
| Interactive Services Repository       | Support, Documentation, Interactive Services Repository                                                                                                                                    |
| Hardware and software requirements    | Implement, Optimize + Upgrade; Implementation Guide; Implementation Documentation and Software; Hardware and Software Requirements                                                         |
| Installation guides                   | Implement, Optimize + Upgrade; Implementation Guide; Implementation Documentation and Software; Installation Guides and Notes                                                              |
| Integration information               | Implement, Optimize + Upgrade; Implementation Guide; Implementation Documentation and Software; Pre-Built Integrations for PeopleSoft Enterprise and JD Edwards EnterpriseOne Applications |
| Minimum technical requirements (MTRs) | Implement, Optimize + Upgrade; Implementation Guide; Supported Platforms                                                                                                                   |
| Documentation updates                 | Support, Documentation, Documentation Updates                                                                                                                                              |
| PeopleBooks support policy            | Support, Support Policy                                                                                                                                                                    |
| Prerelease notes                      | Support, Documentation, Documentation Updates, Category, Release Notes                                                                                                                     |
| Product release roadmap               | Support, Roadmaps + Schedules                                                                                                                                                              |
| Release notes                         | Support, Documentation, Documentation Updates, Category, Release Notes                                                                                                                     |
| Release value proposition             | Support, Documentation, Documentation Updates, Category, Release Value Proposition                                                                                                         |
| Statement of direction                | Support, Documentation, Documentation Updates, Category, Statement of Direction                                                                                                            |
| Troubleshooting information           | Support, Troubleshooting                                                                                                                                                                   |
| Upgrade documentation                 | Support, Documentation, Upgrade Documentation and Scripts                                                                                                                                  |

## Typographical Conventions and Visual Cues

This section discusses:

- Typographical conventions.
- Visual cues.
- Country, region, and industry identifiers.
- Currency codes.

### Typographical Conventions

This table contains the typographical conventions that are used in PeopleBooks:

| Typographical Convention or Visual Cue | Description                                                                                                                                                                                                                                                                                                                              |
|----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Bold</b>                            | Indicates PeopleCode function names, business function names, event names, system function names, method names, language constructs, and PeopleCode reserved words that must be included literally in the function call.                                                                                                                 |
| <i>Italics</i>                         | Indicates field values, emphasis, and PeopleSoft Enterprise or other book-length publication titles. In PeopleCode syntax, italic items are placeholders for arguments that your program must supply.<br><br>We also use italics when we refer to words as words or letters as letters, as in the following: Enter the letter <i>O</i> . |
| KEY+KEY                                | Indicates a key combination action. For example, a plus sign (+) between keys means that you must hold down the first key while you press the second key. For ALT+W, hold down the ALT key while you press the W key.                                                                                                                    |
| Monospace font                         | Indicates a PeopleCode program or other code example.                                                                                                                                                                                                                                                                                    |
| “ ” (quotation marks)                  | Indicate chapter titles in cross-references and words that are used differently from their intended meanings.                                                                                                                                                                                                                            |
| . . . (ellipses)                       | Indicate that the preceding item or series can be repeated any number of times in PeopleCode syntax.                                                                                                                                                                                                                                     |
| { } (curly braces)                     | Indicate a choice between two options in PeopleCode syntax. Options are separated by a pipe ( ).                                                                                                                                                                                                                                         |

| Typographical Convention or Visual Cue | Description                                                                                                                                                                                       |
|----------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| [ ] (square brackets)                  | Indicate optional items in PeopleCode syntax.                                                                                                                                                     |
| & (ampersand)                          | <p>When placed before a parameter in PeopleCode syntax, an ampersand indicates that the parameter is an already instantiated object.</p> <p>Ampersands also precede all PeopleCode variables.</p> |

## Visual Cues

PeopleBooks contain the following visual cues.

### Notes

Notes indicate information that you should pay particular attention to as you work with the PeopleSoft Enterprise system.

---

**Note.** Example of a note.

---

If the note is preceded by *Important!*, the note is crucial and includes information that concerns what you must do for the system to function properly.

---

**Important!** Example of an important note.

---

### Warnings

Warnings indicate crucial configuration considerations. Pay close attention to warning messages.

---

**Warning!** Example of a warning.

---

### Cross-References

PeopleBooks provide cross-references either under the heading “See Also” or on a separate line preceded by the word *See*. Cross-references lead to other documentation that is pertinent to the immediately preceding documentation.

## Country, Region, and Industry Identifiers

Information that applies only to a specific country, region, or industry is preceded by a standard identifier in parentheses. This identifier typically appears at the beginning of a section heading, but it may also appear at the beginning of a note or other text.

Example of a country-specific heading: “(FRA) Hiring an Employee”

Example of a region-specific heading: “(Latin America) Setting Up Depreciation”

### Country Identifiers

Countries are identified with the International Organization for Standardization (ISO) country code.

## Region Identifiers

Regions are identified by the region name. The following region identifiers may appear in PeopleBooks:

- Asia Pacific
- Europe
- Latin America
- North America

## Industry Identifiers

Industries are identified by the industry name or by an abbreviation for that industry. The following industry identifiers may appear in PeopleBooks:

- USF (U.S. Federal)
- E&G (Education and Government)

## Currency Codes

Monetary amounts are identified by the ISO currency code.

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## Comments and Suggestions

Your comments are important to us. We encourage you to tell us what you like, or what you would like to see changed about PeopleBooks and other Oracle reference and training materials. Please send your suggestions to your product line documentation manager at Oracle Corporation, 500 Oracle Parkway, Redwood Shores, CA 94065, U.S.A. Or email us at [appsdoc@us.oracle.com](mailto:appsdoc@us.oracle.com).

While we cannot guarantee to answer every email message, we will pay careful attention to your comments and suggestions.

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## Common Elements Used in PeopleBooks

|                       |                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>As of Date</b>     | The last date for which a report or process includes data.                                                                                                                                                                                                                                                                                           |
| <b>Business Unit</b>  | An ID that represents a high-level organization of business information. You can use a business unit to define regional or departmental units within a larger organization.                                                                                                                                                                          |
| <b>Description</b>    | Enter up to 30 characters of text.                                                                                                                                                                                                                                                                                                                   |
| <b>Effective Date</b> | The date on which a table row becomes effective; the date that an action begins. For example, to close out a ledger on June 30, the effective date for the ledger closing would be July 1. This date also determines when you can view and change the information. Pages or panels and batch processes that use the information use the current row. |

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Once, Always, and Don't Run</b> | <p>Select Once to run the request the next time the batch process runs. After the batch process runs, the process frequency is automatically set to Don't Run.</p> <p>Select Always to run the request every time the batch process runs.</p> <p>Select Don't Run to ignore the request when the batch process runs.</p>                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>Process Monitor</b>             | Click to access the Process List page, where you can view the status of submitted process requests.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>Report Manager</b>              | Click to access the Report List page, where you can view report content, check the status of a report, and see content detail messages (which show you a description of the report and the distribution list).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>Request ID</b>                  | An ID that represents a set of selection criteria for a report or process.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Run</b>                         | Click to access the Process Scheduler request page, where you can specify the location where a process or job runs and the process output format.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>SetID</b>                       | <p>An ID that represents a set of control table information, or TableSets. TableSets enable you to share control table information and processing options among business units. The goal is to minimize redundant data and system maintenance tasks. When you assign a setID to a record group in a business unit, you indicate that all of the tables in the record group are shared between that business unit and any other business unit that also assigns that setID to that record group. For example, you can define a group of common job codes that are shared between several business units. Each business unit that shares the job codes is assigned the same setID for that record group.</p> |
| <b>Short Description</b>           | Enter up to 15 characters of text.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>User ID</b>                     | An ID that represents the person who generates a transaction.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |



# PeopleSoft Enterprise Human Resources Manage Variable Compensation Preface

This preface discusses:

- PeopleSoft Products.
- PeopleSoft Enterprise application fundamentals.
- PeopleBook structure.

---

**Note.** This PeopleBook documents only page elements that require additional explanation. If a page element is not documented with the process or task in which it is used, then either it requires no additional explanation or it is documented with common elements for the section, chapter, PeopleBook, or product line.

---

---

## PeopleSoft Products

This PeopleBook refers to the following PeopleSoft product: PeopleSoft Enterprise Human Resources Manage Variable Compensation.

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## PeopleSoft Enterprise Application Fundamentals

The *PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Manage Variable Compensation* provides you with implementation and processing information for your PeopleSoft Enterprise Human Resources Manage Variable Compensation system. Additional, essential information describing the setup and design of your system appears in a companion volume of documentation called *PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook*. Each PeopleSoft product line has its own version of this documentation.

*PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook* consists of important topics that apply to many or all PeopleSoft Enterprise applications across the PeopleSoft Enterprise HRMS product line. No matter which PeopleSoft Enterprise HRMS products you are implementing, you should be familiar with the contents of this central PeopleBook. It is the starting point for fundamentals, such as setting up control tables and administering security.

### See Also

*PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook*, “PeopleSoft Enterprise HRMS Application Fundamentals Preface”

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## PeopleBook Structure

PeopleSoft PeopleBooks follow a common structure. By understanding this structure, you can use this PeopleBook more efficiently.

The PeopleBooks structure conveys a task-based hierarchy of information. Each chapter describes a process that is required to set up or use the application. Chapter sections describe each task in the process. Subsections within a section describe a single step in the process task.

Some PeopleBooks may also be divided into parts. PeopleBook parts can group together similar implementation or business process chapters within an application or group together two or more applications that integrate into one overall business solution. When a book is divided into parts, each part is divided into chapters.

The following table provides the order and descriptions of chapters in a PeopleBook.

| Chapters                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                        |
|-------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Preface                 | <p>This is the chapter you're reading now. It explains:</p> <ul style="list-style-type: none"> <li>• How to use the Application Fundamentals book.</li> <li>• How PeopleBooks are structured.</li> <li>• Common elements used in the PeopleBook, if necessary.</li> </ul>                                                                                                                                                                          |
| Getting Started With... | <p>This chapter discusses product implementation guidelines. It explains:</p> <ul style="list-style-type: none"> <li>• The business processes documented within the book.</li> <li>• Integrations between the product and other products.</li> <li>• A high-level documentation to how our documentation maps to the overall implementation process; it doesn't offer step-by-step guidance on how to perform an actual implementation.</li> </ul> |
| Navigation              | <p>(Optional) Some PeopleSoft applications provide custom navigation pages that contain groupings of folders that support a specific business process, task, or user role. When an application contains custom navigation pages, this chapter provides basic navigation information for these pages.</p> <p><b>Note.</b> Not all applications have delivered custom navigation pages.</p>                                                          |
| Understanding...        | <p>(Optional) This is an introductory chapter that broadly explains the product and the functionality within the product.</p>                                                                                                                                                                                                                                                                                                                      |

| Chapters                    | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|-----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Setup and Implementation    | <p>This can be one or more chapters. These chapters contain documentation to assist you in setting up and implementing the product. For example, if functionality X is part of a product, this chapter would be devoted to explaining how to set up functionality X, not necessarily how to use functionality X. You would look to the corresponding business process chapter to learn how to use the functionality.</p> <p><b>Note.</b> There may be times when a small amount of business process information is included in a setup chapter if the amount of business process documentation was insufficient to create a separate section in the book.</p>                                                                                         |
| Business Process            | <p>This can be one or more chapters. These chapters contain documentation that addresses specific business processes with each chapter generally devoted to a specific functional area. For example, if functionality X is part of a product, this chapter would be devoted to explain how the functionality works, not necessarily how to set up functionality X. You would look to the corresponding setup and implementation chapter to learn how to set up the functionality.</p> <p><b>Note.</b> There may be times when a small amount of setup and implementation information is included in a business process chapter if the amount of setup and implementation documentation was insufficient to create a separate chapter in the book.</p> |
| Appendixes                  | <p>(Optional) If the book requires it, one or more appendixes might be included in the book. Appendixes contain information considered supplemental to the primary documentation.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Delivered Workflow Appendix | <p>(Optional) The delivered workflow appendix describes all of the workflows that are delivered for the application.</p> <p><b>Note.</b> Not all applications have delivered workflows.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Reports Appendix            | <p>(Optional) This appendix contains an abbreviated list of all of the product's reports. The detailed documentation on the use of these reports is usually included in the related business process chapter.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |



# CHAPTER 1

## Getting Started with Variable Compensation

This chapter provides overviews of and discusses:

- Variable Compensation business processes.
- Variable Compensation integrations.
- Variable Compensation implementation.

---

### Variable Compensation Business Processes

Variable Compensation manages these business processes:

- Manage eligibility and proration.
- Manage plans with weighted goals.
- Manage plans with matrix goals.
- Fund variable compensation plans and groups.
- Calculate allocations and awards.
- Manage awards approval and payouts.

We cover these business processes in the business process chapters in this PeopleBook.

#### See Also

[Chapter 2, “Understanding Variable Compensation,” page 3](#)

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### Variable Compensation Integrations

Human Resources integrates with all the HRMS applications, with other PeopleSoft Enterprise applications, and with third-party applications. Human Resources shared tables are available to many HRMS applications. In addition, data in many HR tables is available to any PeopleSoft application that is set up to subscribe to the published messages.

The Variable Compensation business process integrates with these HRMS applications:

- PeopleSoft Enterprise eCompensation.
- PeopleSoft Enterprise Stock Administration.
- PeopleSoft Enterprise Global Payroll.

- PeopleSoft Enterprise Payroll for North America.
- PeopleSoft Enterprise Payroll Interface.

We cover integration considerations in this PeopleBook.

### See Also

*PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook*, “Working with Integration Points in Enterprise HRMS,” Identifying Integrations for Your Implementation

Chapter 11, “Managing Awards Approval and Payout,” page 137

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## Variable Compensation Implementation

PeopleSoft Setup Manager enables you to generate a list of setup tasks for your organization based on the features that you are implementing. The setup tasks include the components that you must set up, listed in the order in which you must enter data into the component tables, and links to the corresponding PeopleBook documentation.

Variable Compensation also provides a component interface to help you load data from your existing system into Variable Compensation tables. Use the Excel to Component Interface utility with the component interface to populate the table.

This table lists the component that has a setup component interface:

| Component   | Component Interface | References                                                                 |
|-------------|---------------------|----------------------------------------------------------------------------|
| VC_GOAL_TBL | CI_VC_GOAL_TBL      | See <u>Chapter 3, “Setting Up Data Elements,” Defining Goals, page 16.</u> |

### Other Sources of Information

In the planning phase of your implementation, take advantage of all PeopleSoft sources of information, including the installation guides, data models, business process maps, and troubleshooting guidelines.

### See Also

*PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook*, “Working with Integration Points in Enterprise HRMS,” Identifying Integrations for Your Implementation

*Enterprise PeopleTools PeopleBook: PeopleSoft Setup Manager*

*Enterprise PeopleTools PeopleBook: PeopleSoft Component Interfaces*

## CHAPTER 2

# Understanding Variable Compensation

With the flexible Variable Compensation business process in PeopleSoft Enterprise Human Resources, you can create and manage multiple variable compensation plans that encompass everything from one-time ad hoc awards to stock options, bonus plans, non-cash incentives, and holiday gifts or bonuses, among other possibilities.

You can create anything from a simple, direct payout plan to a complex plan with prorated eligibility, three possible goal levels, funding allocation, smoothing mechanisms, and approval processing. You can define any number of payout formulas and assign them to workers individually or through groups.

This chapter provides a brief overview of:

- Variable compensation plan definition.
- Eligibility and awards processing.
- Award payout.
- Variable Compensation reporting.
- Sample plan diagrams

---

## Variable Compensation Plan Definition

The Variable Compensation business process in Human Resources offers flexibility in designing variable compensation plans. Select from a variety of methods of setting up:

- Plan types.
- Plan membership.
- Goals.
- Other plan business rules and options.

### Selecting Plan Type

Select from ten plan types in three major categories:

- Monetary  
Plan types are Discretionary Bonus, Profit Sharing, and Goal Sharing.
- Non-Monetary
  - Calculate awards in units.
  - Define a valuation amount per unit to report the monetary value of the award.
- Stock

- Plan types include ISO, NQ, NSAR, RSA, and ISAR.
- Integrates with Stock Administration.

### See Also

Chapter 4, “Setting Up Variable Compensation Plans,” Understanding Variable Compensation Plan Types, page 23

## Determining Plan Membership

Select from four methods of administering plan membership:

- Ad Hoc Awards:
  - Enter workers and their award amounts directly.
  - No formulas or calculation processes required.
  - Optional funding and approval process.
- Employee Variable Compensation Record:
  - Determine membership and target payout at the individual worker level.
  - Maintain membership and payout continuously when a worker’s job changes.
  - Associate each worker with one or more variable compensation plans.
- Employee Variable Compensation Record with Groups:
  - Define and maintain target payouts at an individual level.
  - Define and maintain membership through groups.
  - Define groups in Group Build and assign them to hierarchical variable compensation trees.
- Define Tree/Group:
  - Define payouts and membership through groups.
  - Define groups in Group Build and assign them to hierarchical Variable Compensation trees.

### See Also

Chapter 5, “Setting Up Plan Membership,” page 39

## Using Goals

For performance-based plans, select from two methods of administering goals:

- Weighted Goals
 

Set up weighted goals at the organizational, individual, and/or group level and enter attainment percentages. The system calculates a performance factor for each level of goals and applies the factor when calculating the worker’s award.

See Chapter 7, “Setting Up and Using Weighted Goals,” page 73.
- Goals Matrix
 

Set up an organization or group level goals matrix. Associate payout formulas with the performance levels on the matrix. The organization or group performance score determines the payout formula used to calculate the workers’ awards.

See [Chapter 8, “Setting Up and Using Matrix Goals,” page 85](#).

## Selecting Other Plan Business Rules and Options

After determining plan membership and selecting the variable compensation plan type, you can select additional plan business rules and options. Some options are restricted or required according to the plan type and membership rule. Choose from these options:

- **Plan Payouts:**  
Assign target payouts at the individual or group level, depending on the plan member rule. Minimum and Maximum payouts are optional.
- **(Optional) Eligibility Proration:**  
Calculate in daily, weekly, or monthly frequency. Select from three methods of calculating daily frequency.
- **(Optional) Calculate a Budget:**  
Run the Budget Report to estimate the total outlay under the plan, considering 100% eligibility and your estimated goal attainments.
- **(Optional) Funding:**
  - Allocate funds (currency or units) to a plan and monitor the balance as you distribute awards.
  - After funding the plan, managers allocate plan funding to the various groups on the tree if the plan uses groups.
  - If funds are insufficient to pay out awards as calculated, the system calculates and applies an adjustment factor to each worker’s award that is above the minimum payout.
- **(Optional) Reserves:**  
Maintain a reserve balance from the funded amount by not allocating the full amount of available funds. You can maintain a reserve at any level of the tree, including the root level, if the plan uses groups.
- **(Optional) Carryover Balances:**
  - Use carry over balances at the individual worker level as a smoothing mechanism.
  - The balance can be carried over for the life of the plan.
  - Select carryover on the VC Plan - Plan Business Rules page.
  - Administer carryover on the Award Allocation page.
  - Monitor carryover using the Carryover report.
- **Award Approval (optional)**  
Approve awards manually or use the batch approval process. For security purposes, identify the authorized approver at the plan or group level.

### See Also

[Chapter 6, “Processing Eligibility and Proration,” page 55](#)

[Chapter 9, “Funding Variable Compensation Plans and Groups,” page 97](#)

---

## Eligibility and Awards Processing

For all but Ad Hoc Award plans, use three calculation processes to administer variable compensation plans:

1. Determine Eligibility/Proration process (VC\_ELIG\_PRO).  
Calculates eligibility status and proration factors.
2. Determine Allocation process (VC\_DET\_ALLOC).
  - Calculates target awards.
  - Calculates organization and group level performance factors for weighted goal plans.
3. Calculate Awards by Plan process (VC\_CALWRD) or Calculate Awards by Group process (VC\_CALWRD\_WG).
  - Calculates awards using the target payout formula, to which it applies performance factors (if goals are used), a proration factor (if the plan is prorated), and an adjustment factor (if the plan is funded).
  - If the worker was eligible for the entire period, the process adjusts the award if it is under the minimum payout or over the maximum payout.
  - Calculates the monetary value of non-monetary awards and applies rounding and decimal rules.
  - After running the calculation process, the system provides full details of all calculations on the Award Allocation page, where you can manually adjust awards before approving them.

---

## Award Payout

The system uses PeopleSoft Integration Broker to automatically publish awards to PeopleSoft Enterprise Payroll for North America, PeopleSoft Enterprise Global Payroll, or PeopleSoft Enterprise Stock Administration. If the worker is paid through PeopleSoft Enterprise Payroll Interface, the system automatically generates a flat file.

---

## Variable Compensation Reporting

Reports help you make decisions as you progress through the variable compensation business process and summarize your variable compensation results.

Most of the reports use the same run control page. The fields available on RUNCTL\_VC\_REP vary slightly depending upon the report you're generating. In some cases you can select to run either a summary or detail report.

### See Also

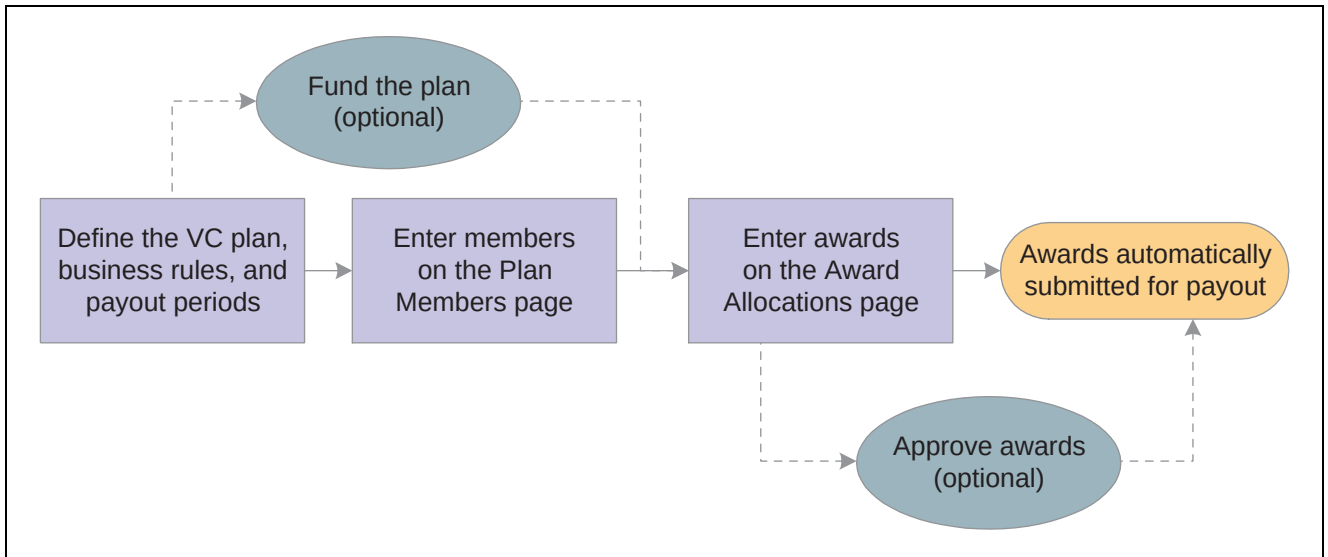
*PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook*, "PeopleSoft Application Fundamentals for HRMS Reports," Manage Variable Compensation Reports

## Sample Plan Diagrams

This section provides diagrams and tables to illustrate a simple ad hoc plan and a complex tree and group plan.

### Ad Hoc Plan Sample Process Flow

This diagram illustrates an ad hoc plan.



Ad Hoc Awards plan with optional funding and approval

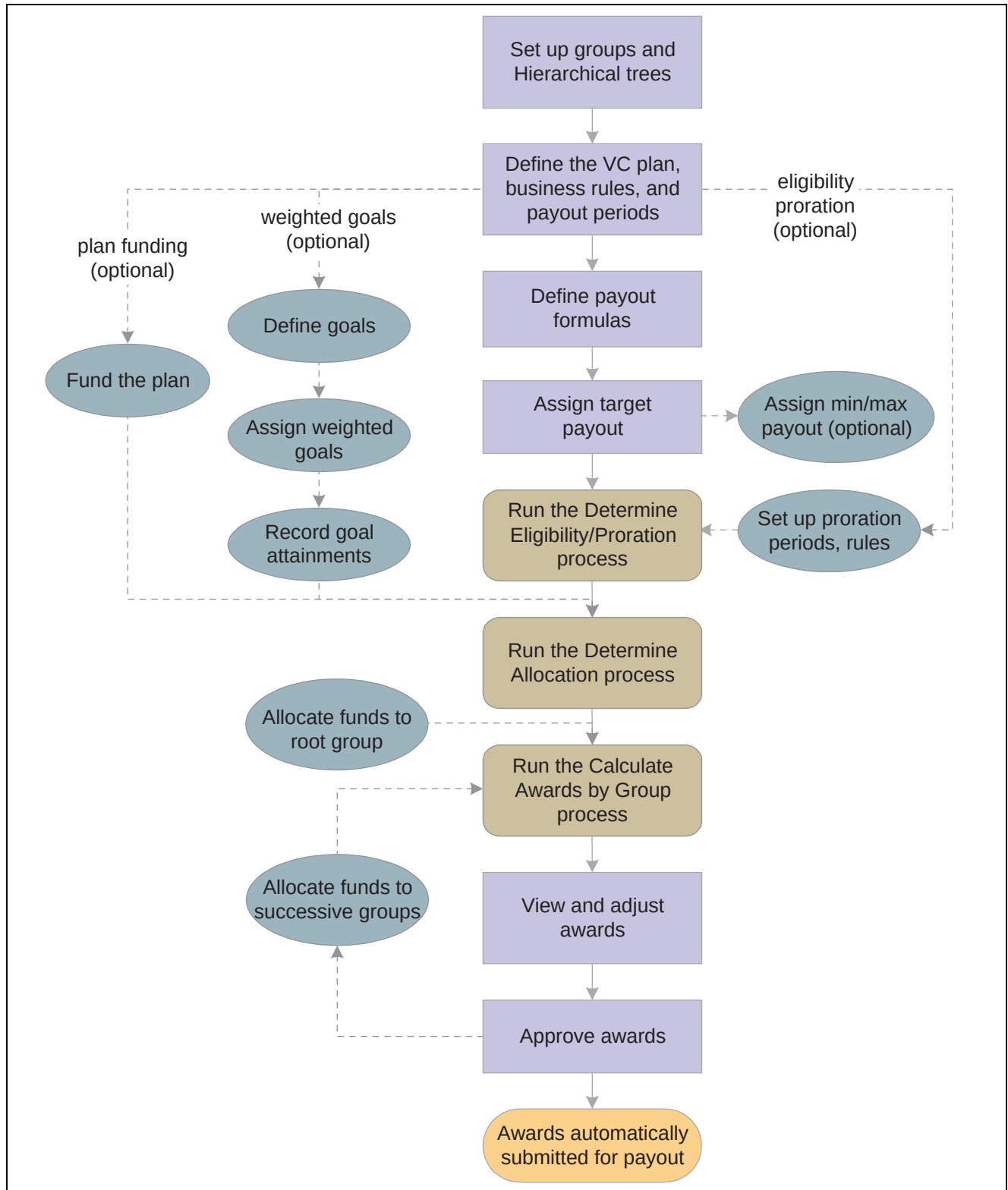
### Sample Plan Definition

This table describes the plan variables implemented in the diagram of the sample Ad Hoc Awards plan:

| Plan Variables   | Value                                 |
|------------------|---------------------------------------|
| Plan Member Rule | Ad Hoc Award                          |
| Plan Type        | Any monetary type except Goal Sharing |
| Goals            | Not allowed                           |
| Funding          | Plan Funding                          |
| Proration        | Not allowed                           |
| Approval         | Manual approval                       |
| Payout Formulas  | Not applicable                        |

## Define Tree and Groups Plan Sample Process Flow

This section illustrates a sample Define Tree and Groups plan.



Sample Define Tree/Groups plan with goals, proration, and funding

## Sample Plan Definition

This table describes the plan variables implemented in the diagram of the sample Define Tree/Groups plan:

| Plan Variable    | Value                                  |
|------------------|----------------------------------------|
| Plan Member Rule | Define Tree/Groups                     |
| Plan Type        | Any monetary plan type that uses goals |
| Goals            | Weighted goals                         |
| Funding          | Yes, with group allocation             |
| Proration        | Yes, monthly                           |
| Approval         | Approval process                       |
| Payout Formulas  | Target, minimum, and maximum           |



## CHAPTER 3

# Setting Up Data Elements

This chapter provides an overview and describes how to:

- Define payout formulas.
- Define valuation.
- Define goals.
- Set up eligibility proration tables.

---

## Understanding Data Element Setup

Before you set up your variable compensation plans, you must define some of the data elements that you'll use to define the specifics of each plan. Some of the variable compensation data elements are optional and some are required, depending on the plan type, options, and business rules that you define for the plan.

This table describes the usage of the data elements by the various plan types:

| Data Element              | Which Plan Types Use This Data Element                                                              |
|---------------------------|-----------------------------------------------------------------------------------------------------|
| Payout Formula            | Required for all plans except those with Ad Hoc Award as the plan member rule.                      |
| Valuations                | Required for non-monetary and stock plans only.                                                     |
| Goals                     | Required when the plan type is Goal Sharing and for any other plan that you administer using goals. |
| Proration periods         | Required for plans that specify Calculate Proration as a plan business rule.                        |
| Workday Rules             | Required for the Workday Schedule method of calculating eligibility proration.                      |
| Proration Percentage Rule | Required for the Proration Percentage method of calculating eligibility proration.                  |

## Defining Payout Formulas

To define payout formulas, use the Payout Formula component (VC\_PAYOUT\_FORMULA).

Construct Structured Query Language (SQL) statements and assign them a Payout Formula ID on the Payout Formulas page. Select from the Payout Formula IDs when you set up target, minimum, and maximum payouts for workers, groups, or plans, or when you set up a matrix goal payout schedule.

The payout formula that you define can be a flat amount or a complex SQL statement based primarily on the worker's Job record.

## Page Used to Define Payout Formulas

| Page Name      | Object Name    | Navigation                                                                                         | Usage                                                                                                                                                                                                                                    |
|----------------|----------------|----------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Payout Formula | VC_PAYFORM_TBL | Set Up HRMS, Product Related, Compensation, Variable Compensation, Payout Formulas, Payout Formula | Define a formula that the Determine Allocation process and Calculate Awards process will use to calculate funding and award allocations. The payout formula is a Structured Query Language (SQL) statement that you define on this page. |

## Creating a Payout Formula

Access the Payout Formula page.

**Payout Formula**

**Payout Formula ID:** KF15PCT

**Payout Formula Criteria** Find | View All First 1 of 1 Last

\*Effective Date: 01/01/1980 \*Status: Active

\*Description: 15% of Quarterly Base Salary

Short Description: 15% Base

Pay Formula SQL: 0.25 \* JOB.ANNUAL\_RT \* 0.15

Rounding Rule: Standard Decimal Places: 0

**Payout Formula Details** Find | View All First 1-3 of 5 Last

| Sequence | Operand   | Value/Rec/Rate Code | Field Name |
|----------|-----------|---------------------|------------|
| 0        | Constant  | .25                 |            |
| 5        | *         |                     |            |
| 10       | Rec.Field | JOB                 | ANNUAL_RT  |

Payout Formula page

## Payout Formula Criteria

### Pay Formula SQL

When you save the record, the system displays the payout formula SQL statement that you define using the fields below. The system checks the syntax of the SQL statement and lists any errors.

### Rounding Rule

The rule to apply to award calculations that use this payout formula. Select from:

- *Down*: Round the value down to the number of significant digits indicated in the Decimal Places field.
- *Standard*: Use the standard IEEE rounding rules.
- *Up*: Round the value up to the number of significant digits indicated in the Decimal Places field.

If the plan is a stock-type plan, the system uses the rounding rules established on the Stock Option Plan table (ST\_OPTION\_PLAN) when rounding award calculations.

### Decimal Places

Enter the number of decimal places to which you want the system to round the payout formula.

## Payout Formula Details

### Sequence

(Required) This number determines the order in which the SQL generator builds the formula. Entering sequence numbers in increments of five or 10 gives you room to add a component to the formula without renumbering all the existing components. When you save the page, the system sorts your components according to their sequence numbers.

Insert a new row and enter a sequence number for each component of the SQL statement as you build it.

### Operand

Enter an operand for the component. The Operand that you select determines the other fields that are hidden or displayed on the page. This table lists the valid operand values and the additional fields displayed for each:

| Operand | Definition                                              | Additional Fields That Display |
|---------|---------------------------------------------------------|--------------------------------|
| (none)  | Use this value to clear the field of an unwanted value. | None                           |
| -       | Subtract                                                | None                           |
| (       | Open Bracket                                            | None                           |
| )       | Close Bracket                                           | None                           |
| *       | Multiply                                                | None                           |
| /       | Divide                                                  | None                           |

| Operand           | Definition                                                       | Additional Fields That Display     |
|-------------------|------------------------------------------------------------------|------------------------------------|
| +                 | Add                                                              | None                               |
| <i>Constant</i>   | Fixed value                                                      | Value/Rec/Rate Code                |
| <i>Rate Code</i>  | Refers to a Rate Code that you specify from the Rate Code table. | Value/Rec/Rate Code                |
| <i>Rec. Field</i> | Refers to a field that you specify from a record.                | Value/Rec/Rate Code and Field Name |

**Value/Rec/Rate Code**

The value that you enter here depends on the Operand that you select. This is a summary of the relationships between the Operand and the Value/Rec/Rate Code:

| Operand Selected  | Value/Rec/Rate Code                                                                                                                                                                               |
|-------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Constant</i>   | Enter a fixed amount. This Value can be a percent or other fixed value to be used in the calculation.<br><br>For non-monetary plans, enter the number of units to be awarded to each plan member. |
| <i>Rate Code</i>  | Enter a Rate Code from the Rate Code table.                                                                                                                                                       |
| <i>Rec. Field</i> | Select a Record from these options: <i>EMPLOYMENT</i> , <i>JOB</i> , <i>PERSONAL_DATA</i> , and <i>SAL_GRADE_TBL</i> .                                                                            |

**Field Name**

Select from the available options for the Record that you selected. When the system executes the SQL statement, it uses the value of the selected field in the plan member's record.

**Payout Formula Example**

To define a payout formula of 1 percent of the worker's job annual rate, select the Job record, the Annual Rate field name (on the Job record), the operator \*, and the constant .01. Place the formula in parentheses, so the final formula in the Pay Formula SQL field is: (JOB.ANNUAL\_RT \* 0.01).

**See Also**

Chapter 10, "Calculating Allocations and Awards," Reporting Awards Calculations, page 134

---

## Defining Valuation

To define valuation, use the Valuations component (VC\_VALUATION).

For non-monetary plans and stock plans, set up a valuation ID on the Valuations page. Assign a value to the valuation ID, which represents the value of one unit of the award under the plan (expressed in the currency that you specify). If you change the value of a valuation ID, the system uses the value on the Valuation ID maximum effective-dated row that is equal to or less than the payout period end date.

When the system reports the value of awards under a non-monetary plan or stock plan, the value is calculated by multiplying the number of units awarded to the member (determined by the payout formula and other factors) by the value per unit as defined by the valuation ID. Depending on the plan's business rules, the award value attributed to the worker's compensation package might be reduced by a proration factor, performance factor, or adjustment factor.

Because of the nature of stock prices, the stock value calculated in this way is used for variable compensation reporting only, because it might not reflect the true value of the stock options at a particular time.

For non-monetary-type plans, the value calculated with the valuation ID is used for payroll tax reporting, as well as data reporting through the Variable Compensation and Total Compensation business processes.

### Page Used to Define Valuation

| Page Name | Object Name  | Navigation                                                                               | Usage                                                                                                                                                                                    |
|-----------|--------------|------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation | VC_VALUATION | Set Up HRMS, Product Related, Compensation, Variable Compensation, Valuations, Valuation | Define units of non-monetary and stock awards and assign a currency value for one unit. This page is required only if you set up non-monetary or stock variable compensation (VC) plans. |

### Creating a Valuation Definition

Access the Valuation page.

Valuation page

**Effective Date**

Enter the effective date of the value that you are entering for the Valuation ID.

If you change the value of the Valuation ID, the system uses the monetary value associated with the Valuation ID on the maximum effective-dated row that is equal to or less than the payout period end date.

**Amount**

Enter the monetary value of one unit of the non-monetary award represented by this Valuation ID. For example, enter the monetary value of one holiday turkey. For stock-type plans, one unit is one option/share.

**Currency Code**

Select the code for the currency in which to administer an award for this Valuation ID. When you assign the valuation ID to a VC plan, the currency code of the valuation ID must match the currency code of the plan.

You can override the default value that the system enters.

---

## Defining Goals

To define goals, use the Goals component (VC\_GOAL\_TBL). Use the CI\_VC\_GOAL\_TBL component interface to load data into the table for this component.

Use goals that you name and describe on the VC Goal Tbl (variable compensation goal table) page to set up a plan with either weighted goals or a goals matrix.

Goals are not an option if the plan member rule is Ad Hoc Award.

**See Also**

[Chapter 7, “Setting Up and Using Weighted Goals,” page 73](#)

[Chapter 8, “Setting Up and Using Matrix Goals,” page 85](#)

## Page Used To Define Goals

| Page Name | Object Name | Navigation                                                                     | Usage                                                                                                                                                                                                                                                             |
|-----------|-------------|--------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Goal      | VC_GOAL_TBL | Set Up HRMS, Product Related, Compensation, Variable Compensation, Goals, Goal | <p>Name and describe generic goals to use with variable compensation (VC) plans. Use the goals that you define here when you set up weighted goals or matrix goals for a VC plan.</p> <p>You do not need this page if you do not administer plans with goals.</p> |

---

## Setting Up Eligibility Proration Tables

To set up proration tables, use the Workday Schedules (VC\_WORK\_DY\_SCHED), Percentage Proration Rules (VC\_PRORATE\_RULE), and Prorate Periods (VC\_PRORATE\_PRD) components.

This section discusses how to:

- Set up workday rules.
- Set up proration percentage rules.
- Define proration periods.

### See Also

Chapter 6, “Processing Eligibility and Proration,” Understanding Proration Factor Calculations, page 55

## Pages Used to Set Up Proration

| Page Name        | Object Name     | Navigation                                                                                                                                                                                                                                          | Usage                                                                                                                                                                                                      |
|------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Workday Schedule | VC_WRK_DY_SCHED | Set Up HRMS, Product Related, Compensation, Variable Compensation, Workday Schedules, Workday Schedule                                                                                                                                              | Set up Workday Rules in which you create schedules assigning a factor to each day of the week (Sunday through Saturday).                                                                                   |
| Prorate Percent  | VC_PRORATE_TBL  | Set Up HRMS, Product Related, Compensation, Variable Compensation, Percentage Proration Rules, Prorate Percent                                                                                                                                      | Define ranges of eligible days and associate a percentage with each range.                                                                                                                                 |
| Prorate Periods  | VC_PRORATE_PRD  | <ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Prorate Periods, Prorate Periods</li> <li>Compensation, Variable Compensation, Maintain Plan, Prorate Periods, Prorate Periods</li> </ul> | Define proration frequency parameters for a prorated plan's payout periods. The Determine Eligibility/Proration process evaluates eligibility as of the proration period end dates generated on this page. |

## Setting Up Workday Rules

Access the Workday Schedule page.

Workday Schedule

Workday Rule ID: WKDRULE1

Workday Schedule Details

Find | View All First 1 of 1 Last

Effective Date: 01/01/2000

Workday Factors

|   | Day of the Week | Factor |
|---|-----------------|--------|
| 1 | Sunday          | 0.00   |
| 2 | Monday          | 1.00   |
| 3 | Tuesday         | 1.00   |
| 4 | Wednesday       | 1.00   |
| 5 | Thursday        | 1.00   |
| 6 | Friday          | 1.00   |
| 7 | Saturday        | 0.50   |

Workday Schedule page

**Factor** Enter the factor for each day. For example, you could assign a factor of 1 for a full working day, .5 for a half day, and 0 for a holiday.

## Setting Up Proration Percentage Rules

Access the Prorate Percent page.

**Prorate Percent**

Prorate % ID: HXVCPER1

**Proration Rule Details** View All First 1 of 1 Last

Effective Date: 01/01/1999 Status: Active

\*Description: VC Profit Share NewHire Prorat

Short Description: VCPrtNewH

**Employee Status Rules** Find View All First 1 of 1 Last

\*Eligible Status: Active

| Proration Rates |                |                      |   |   |
|-----------------|----------------|----------------------|---|---|
|                 | *Eligible Days | Proration Percentage |   |   |
| 1               | 60             | 25.00                | + | - |
| 2               | 120            | 50.00                | + | - |
| 3               | 180            | 75.00                | + | - |
| 4               | 365            | 100.00               | + | - |
| 5               | 366            | 100.00               | + | - |

Prorate Percent page

Define a lookup table that the system uses to determine the worker's proration factor based on the number of eligible days in the period.

### Eligible Status

You can define separate proration rate schedules for *Active* and *Terminated* workers under each Prorate % ID. Select whether this proration rate schedule applies to workers who are *Active* or *Terminated* at the end of the payout period.

*Terminated* status includes these worker status values on the Job record: Deceased, Retired, Retired with Pay, Terminated, and Terminated with Pay.

If you do not define a proration rate schedule with a value of *Terminated* in Eligible Status, the system assigns a proration factor of 0 to workers with these termination worker status values in their Job record.

All other worker status values on the Job record are associated with the *Active* value in this field.

### Eligible Days

Enter the ending number in the eligible days range. For example, if the range is 1-15 days, enter 15.

**Proration Percentage**

Associate a proration factor, expressed as a percentage, with the eligible days range. This is the proration factor used by the Calculate Awards process if the worker's eligible days for the period falls into this Eligible Days range.

Define a date range and assign a proration percentage of 0 if you want to exclude workers who are not eligible in the first portion of the period. For example, you can exclude workers were not eligible in the first 21 days of the period by setting up an eligible days range that ends in 21 and associating 0 as the proration percentage.

**Defining Proration Periods**

Prorate periods are subsets of the plan payout period. Prorate periods can have daily, weekly, or monthly frequency. Daily frequency is the most accurate, but the processing time is greater.

**Note.** You must set up the variable compensation plan and its payout periods before you can define the proration periods.

Access the Prorate Periods page.

**Prorate Periods**

Plan ID: HXVC01 VC ISO Weighted Goals

**Prorate Period Details** Find | View All First 1 of 2 Last

Period ID: 2000 Period Begin Date: 01/01/2000 Period End Date: 12/31/2000

Proration Freq: Monthly Date Ind: Month End

| Prorate Dates |            |            |     |
|---------------|------------|------------|-----|
|               | End Date   | Run Status |     |
| 1             | 01/31/2000 | On         | + - |
| 2             | 02/29/2000 | On         | + - |
| 3             | 03/31/2000 | On         | + - |
| 4             | 04/30/2000 | On         | + - |
| 5             | 05/31/2000 | On         | + - |

Prorate Periods page

**Period ID**

Select a payout period from the available options. Values prompt from the VC\_PAYPRD\_TBL. The list does not include payout periods for which an award has been finalized, canceled, or manually entered. In other words, if the Award Status on the Award Allocation page is other than *Initial Calculation* for any award in the plan, or if any award was manually allocated, that payout period is not available.

The system displays the payout Period Begin and Period End Dates that you defined on the VC Plan - Plan Payout Periods page.

**Proration Freq** (proration frequency)

Select a proration frequency from these values:

- *By Workdays* (daily frequency): The Workday Rule ID field appears.

- *Calendar Days* (daily frequency): The Prorate % ID field appears.
- *Monthly*: The Date Ind field appears.
- *Weekly*: The Day field appears.

**Workday Rule ID**

If you select *By Workdays* as proration frequency, you must select a workday rule. The maximum number of Eligible Days defined in the rule you select must not be less than the number of days in the payout period.

**Prorate % ID**

This field appears if you select *Calendar Days*.

If you use the proration percentage calculation method, select a prorate percentage ID to associate a prorate percentage schedule with the plan for the payout period.

If you use daily calculation method without proration percentages, leave this field blank.

**Day**

If you select *Weekly* as the proration frequency, you must select the day of the week as of which you want the system to calculate the proration. Values are the 7 days of the week (Sunday through Saturday).

**Date Ind** (date indicator)

If you select *Monthly* proration frequency, select a date indicator in this field. Values include:

*End of Month*: The system calculates eligibility as of the end of each month.

*Day of Month*: The Day of Mon field appears.

**Day of Mon** (day of the month)

Enter the number of the day of the month as of which you want the system to calculate eligibility. Select any number from 1 - 28. Set the Date Ind to *End of Month* if you select a number higher than 28.

**End Date**

After you define the proration frequency, the system displays the end date here of each proration period within the payout period you specified.

**Run Status**

The system selects this check box when the Determine Eligibility/Proration process completes the eligibility calculation for the corresponding proration period.



## CHAPTER 4

# Setting Up Variable Compensation Plans

This chapter provides an overview of variable compensation plan types and discusses how to:

- Define a variable compensation plan.
- Assign payout formulas.
- Set up goals, funding, and proration.

---

## Understanding Variable Compensation Plan Types

When you define a variable compensation (VC) plan, you must specify its type. The system provides 10 plan types. The topics in this section describe the unique steps required to set up plans in each of these categories. Additional setup options and procedures common to all plan types are in the discussion of the VC Plan setup pages.

This section discusses:

- Monetary plan types.
- Non-monetary plan types.
- Stock-type plans.
- Other plan types.

### Monetary Plan Types

Monetary plan types are as follows:

|                            |                                                                                                                                                                                                                                                    |
|----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Discretionary Bonus</b> | Select this type to label a plan for your own tracking. No special plan setup steps apply. Plan options are available according to the plan member rule.                                                                                           |
| <b>Goal Sharing</b>        | Select either <i>Weighted Goals</i> or <i>Matrix Goals</i> and specify weighted goal percents or matrix columns on the VC Plan - Plan Definition page.<br><br>See <a href="#">Chapter 3, “Setting Up Data Elements,” Defining Goals, page 16</a> . |
| <b>Profit Sharing</b>      | Select this type to label a plan for your own tracking. No special plan setup steps apply. Plan options are available according to the plan member rule.                                                                                           |

## See Also

[Chapter 4, “Setting Up Variable Compensation Plans,” Defining a Variable Compensation Plan, page 25](#)

[Chapter 10, “Calculating Allocations and Awards,” page 117](#)

[Chapter 6, “Processing Eligibility and Proration,” page 55](#)

## Non-Monetary Plan Types

A non-monetary plan generates awards in terms of units rather than money. Use this plan type to manage the award of various kinds of gifts and merchandise to workers. The plan is administered in terms of units. Setup of valuation of units for reporting purposes.

To set up non-monetary plans:

1. Define units of non monetary awards and the value per unit on the Valuations page.
2. Identify the number of units to be distributed to a worker on the Payout Formula page.  
Select *Constant* as the Operand and enter the number of units in the Value/Rec/Rate Code column.
3. Set up a plan with *Non-Monetary* plan type and select a Valuation ID on the VC Plan - Plan Definition page.
4. Assign the payout formula to a worker, group, or plan.

Use the Non Monetary report to track the number of units awarded under a plan and the value to workers.

See [Chapter 3, “Setting Up Data Elements,” page 11](#).

## Stock-Type Variable Compensation Plans

Stock-type variable compensation (VC) plans require setup of valuation and funding. Use goals and other optional plan rules. The system uses valuation only for variable compensation reporting purposes, because stock prices can change so rapidly.

The variable compensation system provides five stock plan types for your organization’s tracking purposes. Within the Variable Compensation business process, the system treats them all the same. Select one of these stock plan types:

|                   |                                                                      |
|-------------------|----------------------------------------------------------------------|
| <b>Stock ISO</b>  | Incentive Stock Option                                               |
| <b>Stock NQ</b>   | Nonqualified Stock Option                                            |
| <b>Stock NSAR</b> | Stock Appreciation Rights in tandem with a Nonqualified Stock Option |
| <b>Stock RSA</b>  | Restricted Stock Award                                               |
| <b>Stock ISAR</b> | Stock Appreciation Rights in tandem with an Incentive Stock Option   |

The system provides some specific functionality to support the integration of Stock Administration with the Variable Compensation business process. The specific functionality is explained in this documentation wherever it occurs in the variable compensation business process.

If your organization does not use Stock Administration, you can still select any of the stock plan types for your own tracking purposes, but some of the functionality related to stock-type plans isn’t functional for your plans. The system treats your stock-type plans like a non-monetary plan in everything but the reporting of valuation.

## Summary of Setting Up Stock-Type Plans

To set up stock-type plans:

1. Define valuation of stock units on the Valuations page.
2. Specify a Stock ID and Stock Plan on the VC Plan - Plan Definition page.
  - If you use Stock Administration, the Stock administrator sets up stock IDs on the and stock plans on the Stock Plan Table page.
  - If you do not use Stock Administration to administer your stock plans, the Stock Plan and Stock ID fields won't appear on the Plan Definition page.
3. Specify a Valuation ID on the VC Plan - Plan Definition page.
4. Set up Plan Funding on the Plan Funding page.

See [Chapter 3, “Setting Up Data Elements,” page 11](#).

### See Also

*PeopleSoft Enterprise Stock Administration 9.0 PeopleBook*, “Defining Stock Administration Business Rules,” Creating a Stock ID

*PeopleSoft Enterprise Stock Administration 9.0 PeopleBook*, “Setting Up Stock Purchase Plans,” Defining Stock Purchase Plan Rules

## Other Plan Types

Most plans fit into one of the named plan types. If you have a plan that is not described by one of these plan types, use the plan type *Other*. The Variable Compensation business process provides no specific functionality to support plans labeled *Other*, so we recommend selecting one of the remaining nine plan types whenever possible.

---

## Defining a Variable Compensation Plan

To define variable compensation plans, use the Define Variable Comp Plan (VC\_PLAN) component.

Use the three VC Plan setup pages to define a variable compensation plan as well as its options, business rules, and payout periods.

## Common Elements Used in This Section

### Plan ID

The unique identifier used to access many of the variable compensation pages. Once you open a page, the system displays the ID that you entered to access the page.

### Payout Period ID

An identifier for the payout period, such as *Q1* for the first quarter. This is a key for many of the variable compensation pages.

## Pages Used to Define a Variable Compensation Plan

| Page Name             | Object Name      | Navigation                                                                                                                                                                                                                                                                      | Usage                                                                                                                               |
|-----------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------|
| Plan Definition       | VC_PLAN_TBL      | <ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Define Variable Comp Plan, Plan Definition</li> <li>Compensation, Variable Compensation, Maintain Plan, Define Variable Comp Plan, Plan Definition</li> </ul>         | Define a variable compensation plan, plan dates, earnings code, plan type, and specifics related to the plan type.                  |
| Plan Business Rules   | VC_PLAN_BUS_RULE | <ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Define Variable Comp Plan, Plan Business Rules</li> <li>Compensation, Variable Compensation, Maintain Plan, Define Variable Comp Plan, Plan Business Rules</li> </ul> | Specify the method of administering plan membership and select optional business rules for the plan.                                |
| VC Termination Status | VC_EE_TERM_STAT  | Click the EE Term Status link on the VC Plan - Plan Business Rules page.                                                                                                                                                                                                        | Select the termination status codes that exclude workers from payment under a plan that has Empl VC Record as the plan member rule. |
| Plan Payout Periods   | VC_PAYPRD_TBL    | <ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Define Variable Comp Plan, Plan Payout Periods</li> <li>Compensation, Variable Compensation, Maintain Plan, Define Variable Comp Plan, Plan Payout Periods</li> </ul> | Define or change the beginning and ending dates of a variable compensation plan's payout periods.                                   |

## Specifying the VC Plan Definition

Access the Plan Definition page.

| Plan Definition                                       |                       | Plan Business Rules    |            | Plan Payout Periods     |        |
|-------------------------------------------------------|-----------------------|------------------------|------------|-------------------------|--------|
| <b>Plan ID:</b>                                       | HXVC01                |                        |            |                         |        |
| <b>*Description:</b>                                  | VC ISO Weighted Goals |                        |            |                         |        |
| <b>Short Desc:</b>                                    | VC ISO Wei            |                        |            |                         |        |
| <b>*Plan Start Date:</b>                              | 01/01/1999            | <b>*Plan End Date:</b> | 01/31/2002 | <b>*Currency:</b>       | USD    |
| <b>*Plan Type:</b>                                    | Stock - ISO           | <b>Stock ID:</b>       | HXVCSTK    | HX VC Stock Integration |        |
| <b>Plan Goals:</b>                                    | Weighted Goals        | <b>Stock Plan:</b>     | HXVCPLN    | VC Stock Plan           |        |
| <b>Plan Details</b> Find   View All First 1 of 1 Last |                       |                        |            |                         |        |
| <b>*Effective Date:</b>                               | 01/01/1999            | <b>*Status:</b>        | Active     |                         |        |
| <b>Earnings Code:</b>                                 | B14 Regular Earnings  | <b>Goal Weights</b>    |            |                         |        |
| <b>GP Earnings:</b>                                   |                       | <b>Org Weight:</b>     | 100.00     |                         |        |
| <b>Valuation ID:</b>                                  | HXVCVL01 VC ISO Sto   | <b>Group Weight:</b>   | 0.00       |                         |        |
|                                                       |                       | <b>Ind Weight:</b>     | 0.00       | <b>Total Weight:</b>    | 100.00 |

Plan Definition page

**Plan Start Date**

Enter the date on which you want the plan to begin. Once you save the plan definition, you cannot change this date.

For stock-type plans, this date cannot be earlier than the stock plan's approval date.

**Plan End Date**

Enter the date on which you want the plan to end. Once you save the plan definition, change the Plan End Date only to a later date if you want to extend the plan.

For stock-type plans, this date cannot be later than the stock plan's expiration date.

**Currency**

Select the currency in which you want the system to calculate, display, and report allocations. For roll up purposes, you must select one currency for the plan. Payout is in the appropriate currency for the worker.

For stock-type plans, the default value is the currency code for the stock ID on the Stock Exchange table. The currency of the VC plan must match the currency of the Stock plan.

**Plan Type**

Select from the available options: *Discretionary Bonus*, *Goal Sharing*, *Non-Monetary*, *Other*, *Profit Sharing*, *Stock ISO*, *Stock NQ*, *Stock NSAR*, *Stock RSA*, and *Stock ISAR*.

**Fields Related to Plan Type**

When you select a specific plan type, the system displays these additional fields:

| Plan Type                            | Visible Fields                                  |
|--------------------------------------|-------------------------------------------------|
| Discretionary Bonus                  | Plan Goals                                      |
| Goal Sharing                         | Plan Goals                                      |
| Non-Monetary                         | Valuation ID, Plan Goals                        |
| Other                                | Plan Goals                                      |
| Stock (ISO, NQ, NSAR, RSA, and ISAR) | Plan Goals, Stock ID, Stock Plan, Valuation ID. |

**Plan Goals**

Select the type of goal administration to use with the plan. Values are:

- *Goals Matrix*: If you select this value, the Matrix Columns field appears in the Plan Details group box.
- *Weighted Goals*: If you select this value, additional fields appear below in which you define weighting percents for goal levels.

**Stock ID**

Enter the ID that applies to this plan. Values prompt from the Stock table. This field does not appear if you do not use Stock Administration.

**Stock Plan**

Enter the ID that applies to this VC plan. This field does not appear if you do not use Stock Administration.

**Plan Details**

The plan definitions in this section of the page might change during the life of the plan. Insert a row and enter new data to modify a plan.

**Earnings Code**

Payroll reporting code. Applies to awards paid out through Payroll for North America.

**GP Earnings**

Payroll reporting code. Applies to awards paid out through Global Payroll.

**Valuation ID**

Select an ID from the available options, which prompt from the VC Valuation table. This field appears only if the Plan Type is *Non-Monetary* or one of the *Stock* types.

The ID that you select must be defined with the same currency code as the Currency Code that you select for this Plan ID.

This field represents only the valuation ID. The monetary value associated with the valuation ID used to calculate the award value is determined using the maximum effective-dated row on the VC Valuation table that is equal to or less than the payout period end date.

**Matrix Columns**

This field appears if you select *Goals Matrix* in the Plan Goals field. Select the number of columns that you will set up in your goals matrix: *Three*, *Five*, or *Seven*.

## Goal Weights

In this group box, indicate the relative weighting of goals at each of the three goal levels: organization, group, and individual. The default weight is 0 percent at each level. Change the percent only for the levels of goals used by the plan. The sum of all levels must equal 100 percent.

**Org Weight** (organization weight)

Enter the relative percentage of organizational goals compared to other goals used in administering the plan.

**Group Weight**

Enter the relative percentage of group goals compared to other goals used in administering the plan.

Indicate a weight for group goals only if the plan's Group Member Rule is *Empl VC Rec with Groups* or *Define Tree Group*, as specified on the VC Plan - Plan Business Rules page.

**Ind Weight** (individual weight)

Enter the relative percentage of individual goals compared to other goals used in administering the plan.

**Total Weight**

The system computes the totals of the percentages as you enter them at each level and displays the sum in the Total Weight field. Adjust the weights until the sum of all levels equals 100 percent.

## Specifying Plan Business Rules

Access the Plan Business Rules page.

Plan Definition | **Plan Business Rules** | Plan Payout Periods

Plan ID: HXVC01    VC ISO Weighted Goals

| Plan Member Rule                                                               |                                                  | Static Plan Rules                               |
|--------------------------------------------------------------------------------|--------------------------------------------------|-------------------------------------------------|
| <input type="radio"/> Ad Hoc Award                                             | <input type="radio"/> Empl VC Record with Groups | <input type="checkbox"/> Carryover Awards       |
| <input checked="" type="radio"/> Empl VC Record <a href="#">EE Term Status</a> | <input type="radio"/> Define Tree/Group          | <input checked="" type="checkbox"/> Funded Plan |

Plan Details Find | View All | First 1 of 1 Last

Effective Date: 01/01/1999    Status: Active

☒ Calculate Proration    ☐ Gross-Up    ☐ Separate Check  
☐ Approve Awards

Plan Business Rules page

**Plan Member Rule**

Select the rule to use to administer membership under this VC plan: Ad Hoc Award, Empl VC Record (employee variable compensation record), Empl VC Record with Groups (employee variable compensation record with groups), and Define Tree/Group.

See [Chapter 5, “Setting Up Plan Membership,” Understanding Plan Member Rules, page 39.](#)

**EE Term Status** (employee termination status)

This link appears if you select Empl VC Record. Click to access the VC Termination Status page, where you select the termination status codes that exclude workers from payment under the plan.

## Static Plan Rules

**Static Plan Rules**

These rules remain in effect for the life of the VC plan. You cannot change these rules by inserting a new row.

**Carryover Awards**

Select if you want to carry over balances at the worker level for unallocated awards. Selecting this check box enables the Carryover Balance, Accum Carryover (accumulated carryover), and Carryover Amount fields on the Award Allocation page. The system maintains the carryover balance for the life of the plan.

Carryover is not an acceptable option for Non-Monetary and stock-type plans.

This field is unavailable if you've selected the Ad Hoc Award option as the Plan Member Rule.

**Funded Plan**

Select if you allocate a funding amount to the VC plan or are defining a stock-type plan.

## Plan Details

The plan definitions that you select in this group box might change during the life of the plan. To modify a plan, insert a row and enter new data.

**Calculate Proration**

Select if you want to prorate eligibility under the plan. This check box is unavailable for entry if you selected the Ad Hoc Award option as the Plan Member Rule.

**Gross-Up**

Select if you want payroll to apply gross-up rules to award payouts under this plan.

**Separate Check**

Select if you want payroll to issue the awards on a check separate from the worker's normal paycheck.

If you are processing awards through Payroll for North America and you selected Gross-Up on this page, you must select Separate Check.

**Approve Awards**

Select if you want to approve awards by either of these methods:

- Run the Approve Awards or Approve Awards by Group process to approve or unapprove awards at the plan or group level.
- Designate an approver who can manually approve awards individually under the plan on the Award Allocation page.

**Approver**

This field appears if you select Approve Awards for a plan that has Ad Hoc Award or Empl VC Record as the Plan Member Rule. Enter the ID of the person authorized to approve awards for the entire plan. The system displays the worker's name next to the employee ID that you enter.

If you administer the plan using groups, the approver is established through VC group tree security, so the Approver field remains hidden.

## Plan Tree

This group box appears on the page only if the Plan Member Rule is Empl VC Record with Groups or Define tree/Group.

**Tree Name** Select the name of the VC Tree that you want to associate with this VC plan.

**Group ID** The ID of the highest group on the tree that you select in Tree Name.

## See Also

Chapter 6, “Processing Eligibility and Proration,” *Determining Eligibility and Calculating Proration*, page 60

## Selecting Termination Status Codes for Employee VC Record Plan Member Rule

Access the VC Termination Status page.

**VC Termination Status**

**Variable Compensation Plan ID:** VCPLAN001

| Customize   Find   View All    First 1-7 of 7 Last |                                                                                       |                                |                                                                                                                                                                             |
|---------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|--------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                       | Payroll Status                                                                        |                                |                                                                                                                                                                             |
| 1                                                                                                                                     | D  | Deceased                       |   |
| 2                                                                                                                                     | Q  | Retired With Pay               |   |
| 3                                                                                                                                     | R  | Retired                        |   |
| 4                                                                                                                                     | T  | Terminated                     |   |
| 5                                                                                                                                     | U  | Terminated With Pay            |   |
| 6                                                                                                                                     | V  | Terminated Pension Pay Out     |   |
| 7                                                                                                                                     | X  | Retired-Pension Administration |   |

VC Termination Status page

## Payroll Status

Select the payroll status values that cause a worker to be ineligible under the plan. The eligibility process excludes workers from the plan if they have a selected status on their Job record as of the eligibility evaluation date.

Values are *Active*, *Deceased*, *Leave of Absence*, *Leave With Pay*, *Retired With Pay*, *Retired*, *Suspended*, *Terminated*, *Terminated With Pay*, *Terminated Pension Pay Out*, *Short Work Break*, and *Retired-Pension Administration*.

These values are entered by default: *Deceased*, *Retired With Pay*, *Retired*, *Terminated*, *Terminated With Pay*, *Terminated Pension Pay Out*, and *Retired-Pension Administration*.

You may add and delete values to reflect the rules for each plan that you set up with Empl VC Record plan member rule. These selections are not effective-dated.

## See Also

Chapter 6, “Processing Eligibility and Proration,” page 55

## Defining Plan Payout Periods

Access the Plan Payout Periods page.

Plan Payout Periods page

The Plan Payout Period rows are unavailable for entry if the VC plan has expired or if any approved awards exist for that payout period.

## Payout Periods

### Payout Period ID

Enter an identifier for the payout period, such as *Q1* for the first quarter.

### Period Begin Date

Enter the beginning date of the payout period. As the default date, the system enters the day after the prior period's end date. For example, if the prior period's end date is 01/31/2000, the next period's default begin date is 02/01/2000.

After you save the page, the system sorts the rows by Period Begin Date.

### Period End Date

Enter the last date in the payout period. If the date that you enter is later than the Plan End Date as defined on the Plan Definition page, the system issues the error message “Period End Date must not exceed the Plan End Date of [selected plan end date].”

If the Period Begin Date of one period overlaps with the Period End Date of another period, the system issues the message, “Payout Period dates must not overlap.”

---

**Note.** After you define the plan payout periods, you can define the eligibility proration periods if required.

---

See Chapter 3, “Setting Up Data Elements,” Defining Proration Periods, page 20.

## Assigning Payout Formulas

To create and payout formulas, use the Plan Payouts (VC\_PAYOUT) and the Plan Payouts With Groups (VC\_PAYOUT\_WG) components.

This section provides an overview and discusses how to:

- Assign payout formulas for Employee VC Record plans.
- Assign payout formulas for plans with groups.

---

**Note.** If you are administering the plan using matrix goals, do not assign payout formulas on this page. Instead, associate payout formulas with the goals matrix on the Matrix Goals: Payout Schedule page.

---

## See Also

Chapter 10, “Calculating Allocations and Awards,” Viewing and Adjusting Award Allocations, page 123

## Understanding Payout Formula Assignment and Processing

Depending upon the plan member rule, you can assign up to three payout formulas:

- Minimum payout.  
The minimum award that a plan or group member should receive.
- Target payout.
- The award a plan member would receive upon 100 percent completion of objectives.
- Maximum payout.  
The maximum award that a plan or group member should receive.

The Determine Allocation process calculates the target, minimum, and maximum awards. If the worker is eligible for the entire period, after the Calculate Awards process applies the performance factor to the target award, it compares the calculated award to the minimum and maximum awards.

If the calculated award is less than the minimum award, the process overwrites the calculated award with the minimum. If the calculated award exceeds the maximum, the process overwrites the calculated award with the maximum. When the process overwrites the calculated award with the minimum or maximum, it sets a Calculation Source indicator on the Award Allocation page.

## Deciding Which Payouts Page to Use

Use this table to determine which of the Plan Payouts pages to use:

| Plan Rule                       | Plan Payouts Page                                                                                                                                                                               |
|---------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ad Hoc                          | Do not assign payout formulas; instead, enter the award amount directly on the Award Allocation page.                                                                                           |
| Employee VC Record              | Use the Plan Payouts page to assign optional minimum and maximum payouts at the plan level.<br><br>(Assign the Target Payout at the worker level on the Individual’s Payout page.)              |
| Employee VC Record with Groups. | Use the Plan Payouts with Groups page to assign optional minimum and maximum payouts at the group level.<br><br>(Assign the Target Payout at the worker level on the Individual’s Payout page.) |

| Plan Rule                                              | Plan Payouts Page                                                                                                                                                                                  |
|--------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Define Tree/Group                                      | Use the Plan Payouts with Groups page.<br><br>The system applies payouts established on this page to all members of the selected group and to child groups for which you do not specify otherwise. |
| Matrix Goals (with any plan member rule except Ad Hoc) | Do not use either of these pages; instead, associate payout formulas with the goals matrix on the Matrix Goals: Payout Schedule page.                                                              |

## See Also

Chapter 5, “Setting Up Plan Membership,” Understanding Plan Member Rules, page 39

## Pages Used to Assign Payout Formulas

| Page Name                | Object Name  | Navigation                                                                                                                                                                                                                                                                            | Usage                                                                                                                                                                                                               |
|--------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plan Payouts             | VC_PAYOUT    | <ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Payouts, Plan Payouts</li> <li>Compensation, Variable Compensation, Maintain Plan, Plan Payouts, Plan Payouts</li> </ul>                                               | <p>Assign payout formulas at the minimum and maximum levels under the plan. Plans that use matrix goals or ad hoc membership are not available.</p> <p>Use this page if the Plan Member Rule is Empl VC Record.</p> |
| Plan Payouts With Groups | VC_PAYOUT_WG | <ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Payouts With Groups, Plan Payouts With Groups</li> <li>Compensation, Variable Compensation, Maintain Plan, Plan Payouts w/ Groups, Plan Payouts With Groups</li> </ul> | <p>Assign payout formulas at the target, minimum, and maximum levels under the plan. Plans that use matrix goals are not available.</p>                                                                             |

## Assigning Payout Formulas for Employee VC Record Plans

Access the Plan Payouts page.

| Plan Payouts                                                                                     |                                              |
|--------------------------------------------------------------------------------------------------|----------------------------------------------|
| <b>Plan ID:</b>                                                                                  | HXVC08 VC Profit Share Weighted Org Approver |
| <b>Payout Values</b> <span style="float: right;">Find   View All    First ◀ 1 of 1 ▶ Last</span> |                                              |
| <b>Effective Date:</b>                                                                           | 01/01/1999 <b>Status:</b> Active             |
| <b>Minimum Payout:</b>                                                                           | <input type="text"/>                         |
| <b>Target Payout:</b>                                                                            | <input type="text"/>                         |
| <b>Maximum Payout:</b>                                                                           | HX32500       VC 32500                       |

Plan Payouts page

## Payout Values

To establish a payout, select a payout formula from the available options. Values prompt from the Payout Formula table (VC\_PAYFORM\_TBL). All payout fields are unavailable for entry if awards have been approved, manually altered, or sent for payout/distribution for the period during which the Effective Date falls.

The system applies the payout to all members of the plan.

## Availability of Fields

Depending on the Plan Member Rule, some fields are unavailable for entry and some fields are optional, as summarized in this table:

| Field          | Empl VC Record                                                                                             | Ad Hoc Award                                                                                               |
|----------------|------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------|
| Minimum Payout | Optional field.                                                                                            | Field unavailable for entry.                                                                               |
| Target Payout  | Field unavailable for entry.<br>Set the Target Payout at the worker level on the Individual's Payout page. | Field unavailable for entry.<br>Enter the award at the worker level directly on the Award Allocation page. |
| Maximum Payout | Optional field.                                                                                            | Field unavailable for entry.                                                                               |

## See Also

[Chapter 10, “Calculating Allocations and Awards,” Viewing and Adjusting Award Allocations, page 123](#)

## Assigning Payout Formulas for Plans with Groups

Access the Plan Payouts With Groups page.

Plan Payouts With Groups

Plan ID: KCORP

Tree Plan - Corporate Compensation

Plan Payouts

Find | View All First 1 of 1 Last

Effective Date: 01/01/2000

Status: Active

Payout Values Per Group

Find | View All First 1 of 2 Last

\*Group ID: KCSALES

Sales CAN

Minimum Payout: K5KFLAT

5000 Flat

Target Payout: K10PCT

10% Employee Base Salary

Maximum Payout:

Plan Payouts With Groups page

**Group ID**

Select an ID from the available options, which are groups in the VC Tree that you specified for the plan. The default Group ID is the root group of the tree.

Set the payouts for the highest group to which it applies. The system automatically applies the payout to all child groups in the tree unless a specific payout formula is applied to a child group.

**Payout Values Per Group**

To establish a payout, select a payout formula from the available options. Values prompt from the Payout Formula table (VC\_PAYFORM\_TBL). No payout fields are available for entry if awards have been approved or sent for payout/distribution for the period during which the Effective Date falls.

The system applies the payout to all members of the selected group and its child groups if you do not define payouts at lower levels on the tree.

Depending on the Plan Member Rule, some fields are unavailable for entry and some fields are optional, as summarized in this table:

| Field          | Empl VC Record with Groups                                                                                 | Define Tree/Group                                      |
|----------------|------------------------------------------------------------------------------------------------------------|--------------------------------------------------------|
| Minimum Payout | Optional field.                                                                                            | Optional field.                                        |
| Target Payout  | Field unavailable for entry.<br>Set the Target Payout at the worker level on the Individual's Payout page. | Required field except when the plan uses matrix goals. |
| Maximum Payout | Optional field.                                                                                            | Optional field.                                        |

---

## Setting up Goals, Funding, and Proration

Depending on the plan type, plan options, and plan business rules that you defined on the VC Plan setup pages, you might have to set up goals, funding, or proration periods.

### See Also

[Chapter 7, “Setting Up and Using Weighted Goals,” page 73](#)

[Chapter 8, “Setting Up and Using Matrix Goals,” page 85](#)

[Chapter 9, “Funding Variable Compensation Plans and Groups,” page 97](#)

[Chapter 3, “Setting Up Data Elements,” Setting Up Eligibility Proration Tables, page 17](#)



## CHAPTER 5

# Setting Up Plan Membership

This chapter provides an overview of plan member rules and describes how to:

- Set up plan membership for Ad Hoc awards.
- Set up plan membership with Employee VC Record.
- Create groups.
- Attach groups to trees.
- Establish tree security.
- Report on tree membership.

---

## Understanding Plan Member Rules

This section provides a brief description of each of the plan member rules and discusses how each relates to groups, target payouts, and plan options.

### Ad Hoc Award

Ad Hoc Award plans are designed for low volume, occasional awards. For Ad Hoc awards, do not set up groups or target payouts. Enter employees for each plan directly on the Plan Members page and enter their awards directly on the Award Allocation page. Do not run any calculation processes. Target, minimum, and maximum payouts, carryovers, guarantees, goals, and prorated eligibility are not available options with this plan member rule. Goal Sharing is not an available Plan Type.

### Employee Variable Compensation Record

When you choose this plan member rule, do not set up groups. On the Employee Variable Compensation page, associate an employee with one or more variable compensation plans and specify target payouts and an optional guarantee for the employee. The employee's eligibility for a plan is based on the eligibility date you specify on this page.

Optionally specify minimum and maximum payouts at the plan level on the Plan Payouts page. Choose any plan type and any plan options that do not require groups.

### Employee Variable Compensation Record With Groups

When you use this plan member rule, create groups of employees in Group Build and assign each group to a Variable Compensation tree. Attach the tree and group to a VC Plan on the VC Plan - Plan Business Rules page. The employee's eligibility for a plan is based on eligibility in the group.

On the Employee Variable Compensation page, specify target payouts and an optional guarantee for the employee under the VC Plan ID. Optionally specify minimum and maximum payouts at the group level on the Plan Payouts with Groups page.

Choose any plan type and specify any plan options.

### Define Tree/Group

With this plan member rule, create a group of employees in Group Build and assign the group to a Variable Compensation tree. Attach the tree and group to a variable compensation plan on the VC Plan - Plan Business Rules page.

On the Plan Payouts with Groups page, specify employees' target payout and optional minimum and maximum payouts for employees in groups on the tree. Set the payout formulas for child groups at the level of the highest parent group that shares the same payout formula. Employee guarantees are not an option.

Choose any Plan Type and specify any plan options.

---

## Setting Up Plan Members for Ad Hoc Awards

Use the Plan Members page to set up plan members for Ad Hoc Awards. This page is also used to view and adjust plan membership for all plan types.

### Page Used to Set Up Plan Members for Ad Hoc Awards

| Page Name    | Object Name     | Navigation                                                                                                  | Usage                                                                          |
|--------------|-----------------|-------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------|
| Plan Members | VC_PLAN_MEM_TBL | Compensation, Variable Compensation, Identify Eligible Recipients, Eligible Employees by Plan, Plan Members | View and adjust member eligibility or add workers to a plan for Ad Hoc Awards. |

### Entering Ad Hoc Plan Members

To set up ad hoc plan membership:

1. Access the Plan Members page for the desired ad hoc plan and period ID.
2. Click the Search button to load existing plan members into the page.
3. Complete the Plan Members Details group box as follows:

|                             |                                                                                                                                                   |
|-----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>EmplID</b> (employee ID) | To add a new member, insert a new row and enter the employee's ID.                                                                                |
| <b>Eligibility Status</b>   | For Ad Hoc plans, the status defaults to Man Elig (manually eligible). You cannot enter an auto status.                                           |
| <b>As of Date</b>           | Enter the date as of which the worker is eligible for the ad hoc award. The date must be between the current date and the payout period end date. |

## Setting Up Members with Employee Variable Compensation Records

Use the Individual's Payout page to specify a target payout formula and guarantee for individual workers. The system writes this information to the Employee Variable Compensation record. For one worker, you can select multiple VC plans and specify a different target payout and guarantee for each.

For example, a worker might be eligible for your organization's profit sharing plan and an individual performance plan.

Even though you establish the target payout at the individual worker level, you can still choose whether to assign workers to a plan individually or through groups.

### Plans Without Groups

If you set the worker's target payout and guarantee for a VC plan that specifies *Employee Variable Compensation Record* as the plan member rule, enter the worker's Eligibility Date for the plan on the Individual's Payout page. The system calculates the worker's eligibility/proration based on this date.

If your organization uses Workflow functionality and has set the VC administrator role, the system sends a workflow notification to the VC administrator when a worker is hired, rehired, promoted, or has a change in job code. The VC administrator can then establish or modify the worker's VC Plan eligibility, target payouts, and guarantee.

### Plans with Groups

If Employee VC Record with Groups is the plan member rule, the system does not use the Eligibility Date that you enter on the Individual's Payout page to calculate eligibility. Instead, it bases plan eligibility on group eligibility.

## Pages Used to Set Up Members with Employee Variable Compensation Record

| Page Name                     | Object Name        | Navigation                                                                                                  | Usage                                                                                                                                                                                                                                                                                                       |
|-------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Individual's Payout           | VC_EE_VCOMP        | Compensation, Variable Compensation, Identify Eligible Recipients, Individual's Payout, Individual's Payout | <ul style="list-style-type: none"> <li>Add or delete plan members for plans that specify Empl VC Record (without groups) as the plan member rule.</li> <li>Assign or update a target payout formula or guarantee.</li> <li>Specify the plan eligibility date if the VC Plan does not use groups.</li> </ul> |
| Current Employee Compensation | VC_CURRNT_COMP_SEC | Click the Current Comp Data (current compensation data) button on the Individual's Payout page.             | View the worker's compensation data as of the current date, which might be helpful in deciding the target payout and guarantee for the worker.                                                                                                                                                              |

## Setting Up Members with Employee VC Record

Access the Individual's Payout page.

Individual's Payout

Douglas Lewis

EMP

ID: KU0001

Empl Rcd #: 0

Employee Data

Find | View All First 1 of 1 Last

\*Effective Date: 04/18/2006

+

-

Compensation Data

Business Unit: GBIBU Global Business Institute BU [Current Comp Data](#)

DeptID: ADMIN President

Location: KUNY00 US HQ **Comp Rate:** 21666.67 USD

Sal Plan: KU02 **Grade:** 011 **Comp Freq:** Monthly

Employee Details

Find | View All First 1 of 1 Last

\*Plan ID: HEEVC [Empl VC Record for Payroll](#)

Target Payout: K05PCT [05% Employee Base Salary](#)

Eligibility Date Value: 01/01/2000 **Guarantee:** **Currency:**

Long Descr:

Individual's Payout page

For plans that specify Employee Variable Compensation Record (without groups) as the plan member rule, use this page to add or delete plan members or to change a member's Target Payout or Guarantee at any time in the life of the plan.

### Compensation Data

All data displayed in the Compensation Data group box defaults from the worker's Job record as of the Effective Date that you entered on this page. This data is for information only.

#### Current Comp Data

(current compensation data)

Click this link to view a page that displays the data from the worker's job record that is effective as of the current date.

### Employee Details

#### Plan ID

Select a valid ID. The system displays the description of the plan. Only plans that define Employee Variable Compensation Record (with or without groups) as the plan member rule appear in the list.

If the plan that you select in this field has expired (that is, the end date of the Plan ID on the VC Plan table is prior to the current date), the remaining fields on the page are unavailable for entry.

#### Target Payout

Select a target payout for the worker. Values prompt from the Pay Formula table. The system displays the description of the formula that you select.

If you do not select a value here, when you save the page, the system issues a warning and specifies the Plan ID for which no target payout formula was entered.

**Eligibility Date**

Enter the date on which the worker becomes eligible for a payout from the VC Plan ID that you selected. The system enters the VC Plan Start Date from the VC Plan table as the default. The Determine Eligibility/Proration process calculates plan eligibility and proration as of this date for plans that do not use groups. The system does not use this date for eligibility processing if the plan uses groups.

**Guarantee**

Enter an amount that is guaranteed for the worker under this VC Plan ID. This is an optional field. The amount appears for your information on the Award Allocation page, where you can adjust the calculated award as required.

## Adding Additional Data Rows

You can add additional rows of data for the same or different effective dates. When you add a new effective-dated row, the system asks if you want to copy forward all existing rows from the previous effective date. If the plan of the previous effective date is still an active plan, carry forward the rows. You probably would not want to carry the rows forward if the plans in the rows have expired. Historical data is not lost if you do not carry the rows forward.

## Tips and Tricks for Administering Guarantees

You can set up and define a VC Plan specifically to administer guarantees. On the Individual's Payout page, select the Plan ID, leave the Target Payout field blank, and enter the worker's Guarantee amount. When you run the Calculate Awards process, the system enters only the worker's guarantee amount on the Award Allocation page. You can then place the amount, or some portion of it, into the Actual Award field and approve it for payout.

---

# Creating Groups Using Group Build

Use previously defined groups or define groups of eligible plan members based on any number of criteria as identified in Group Build records.

See *PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook*, "Setting Up and Working with Group Definitions".

The Determine Eligibility/Proration process generates group membership based on the group definitions that you set up in Group Build and the dates that you specify on the process run control.

---

**Note.** Historical data is automatically included if you are using Group Build with proration.

---

## Important Information About Using Group Build Pages to Create VC Groups

When you use group build pages to create VC groups:

- Designate the manager of each group on the Group Definition - Group Profile page when you set up groups in group build.

The approver of a group is generally the manager of the immediate parent group (the group manager's manager).

- If you define new groups for managing variable compensation, do not set up group security in the group build security pages (Group Security Default page, Security by Group page, or Security by User page).

Instead, proceed directly to the PeopleSoft Tree Manager to create the Variable Compensation tree. Set up security for the groups on the tree. You cannot modify a group definition until you have attached it to a tree and set up security.

- Group build comes with a *No Group* group ID.

This group is required for Variable Compensation processing. The system assigns this group ID when it needs to simulate a group for a plan that does not use groups. Never delete this group ID or assign this group ID when building or using groups.

### Tip for Setting Up Groups in VC Group Definition

After you create a group in the VC Group Definition page and save/quit the page, the group ID does not appear in the search box. If you want to modify this group from the same VC Group Definition page, first attach the group to a VC tree and set up security for the tree. Once you have set up tree security, you can return to the Group Definition page and modify the group.

---

## Attaching Groups to Trees

This section discusses:

- Advantages of trees.
- Important points about creating Variable Compensation trees.
- Variable Compensation settings in PeopleSoft Tree Manager
- Effective-dated trees and Variable Compensation.
- Deleting parent-child duplicates for rollup.

### Advantages of Trees

After you've defined groups, attach them to a Variable Compensation tree. Create any number of group trees and use any group ID in multiple trees. Define a tree with a single group ID or multiple group IDs. The tree structure enables you to arrange your groups in a hierarchy that shows parent-child relationships. Use as many nodes on the tree as you want, but the maximum number of levels is 12. Define all parent and child groups separately in Group Build pages.

With hierarchical trees, you can administer variable compensation plans in a number of ways:

- For typical, business rollup reporting.
- For rollup funding of groups at each level, from the top down.

The system uses the hierarchy to ensure that funding at lower levels does not exceed the allocation at the upper levels of the hierarchy.

- For the inheritance of goals, goal attainments, and payout formula (target, minimum, and maximum).

Inheritance eases the setup for groups that have the same goals, attainments, or payouts as groups above them.

- To provide user security that is inherited from parent to child groups when accessing Variable Compensation pages.

Security inheritance eases the setup of user security for each level of the tree.

## Important Points About Creating Variable Compensation Trees

Once you've defined groups in Group Build, use PeopleSoft Tree Manager to attach them to a Variable Compensation tree. For the most part, use standard procedures for creating hierarchical trees in PeopleSoft Tree Manager. However, keep these additional points in mind when creating Variable Compensation trees:

- All parent and child groups that you attach to the tree must be defined separately in Group Build.
- If you used group build pages to copy your department structure to groups, also attach the groups to a VC tree and set up VC tree security.
- When the Determine Eligibility/Proration process generates the groups, it eliminates parent-child duplicates. It does not eliminate sibling duplicates, which you can manage with the help of the Tree Member Overlap Report.
- In Variable Compensation transactions, reference groups through the tree name that you enter in PeopleSoft Tree Manager.
- Use the proper Variable Compensation settings in PeopleSoft Tree Manager.

## Variable Compensation Settings in PeopleSoft Tree Manager

Follow certain conventions when you use PeopleSoft Tree Manager to create or maintain Variable Compensation trees. By definition, Variable Compensation trees are Detail trees.

Use the Tree Definition and Properties page (PSTREEDEFN) in PeopleSoft Tree Manager to specify the Variable Compensation tree settings. This section describes only the fields in the Tree Definition and Properties page that have specific settings for creating Variable Compensation trees.

### Tree Definition and Properties

On the Tree Definition and Properties page, these fields require specific settings for Variable Compensation trees:

|                       |                                                                                                                                                                                                                                                                                     |
|-----------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Structure ID</b>   | Select <i>VC_GROUP_STRUCT</i> from the available values. This means that the tree is a tree of groups created in Group Definition and the tree is for Variable Compensation purposes.<br><br>Selecting <i>VC_GROUP_STRUCT</i> tells the system that you are creating a Detail tree. |
| <b>Tree Name</b>      | Use the name that you enter here to reference the tree in Variable Compensation pages.                                                                                                                                                                                              |
| <b>Effective Date</b> | The effective date of the tree must be equal to or later than the effective date of groups on the tree.                                                                                                                                                                             |
| <b>Description</b>    | Enter a description of the Variable Compensation Tree that you are defining.                                                                                                                                                                                                        |
| <b>Category</b>       | A high-level grouping under which you can organize your tree structures and tree definitions. This field is not specific to Variable Compensation trees.                                                                                                                            |
| <b>Use of Levels</b>  | Select <i>Not Used</i> .                                                                                                                                                                                                                                                            |

### See Also

*Enterprise PeopleTools PeopleBook: PeopleSoft Tree Manager*

## Effective-Dated Trees and Variable Compensation

PeopleSoft trees are effective-dated. When you add a group to a tree, PeopleSoft Tree Manager makes sure the effective date of the group is equal to or less than the tree's effective date.

For VC award calculation, the system uses the tree that is effective as of the plan's payout period end date. Workers who are members of groups still residing on the tree receive an award allocation. If you modify a tree during the payout period, the new tree has a later effective date than the original tree. If you modified the tree by deleting any one or more workers or groups, the system does not calculate an award for the deleted workers or groups because they are not part of the tree that is effective as of the payout period end date.

---

**Note.** If a new effective-dated tree causes workers or groups to “fall off” a tree during the payout period, the effected workers might still be eligible for an award if the plan is prorated. For prorated plans, the Consistency Report provides a list of workers who have fallen off a tree and the groups to which they belonged. The VC administrator or the workers' managers can use this information to ensure that these individuals get the appropriate awards.

---

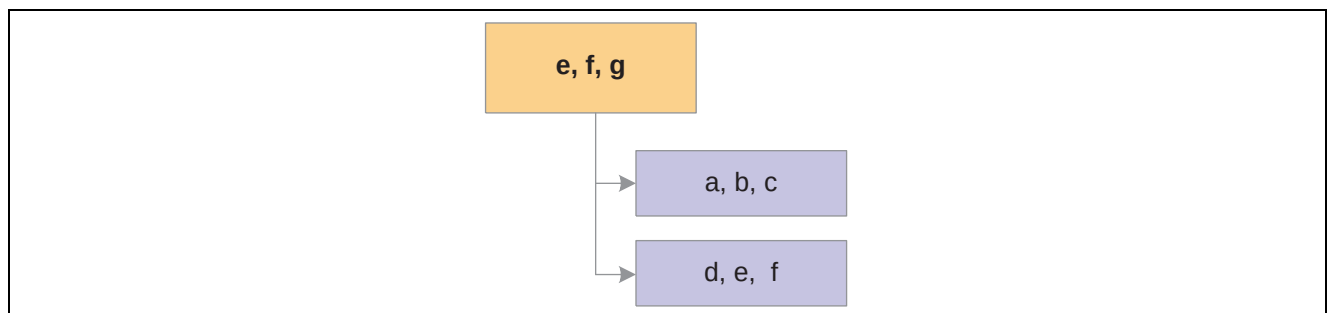
## Deleting Parent-Child Duplicates for Rollup

For accurate rollup accounting, the Determine Eligibility/Proration process removes a member from the parent group when that member is also included in a child group. The system deletes the parent-child duplication of membership to avoid double accounting of allocation amounts for the duplicate member.

The parent-child duplicate deletion works as follows:

### Example

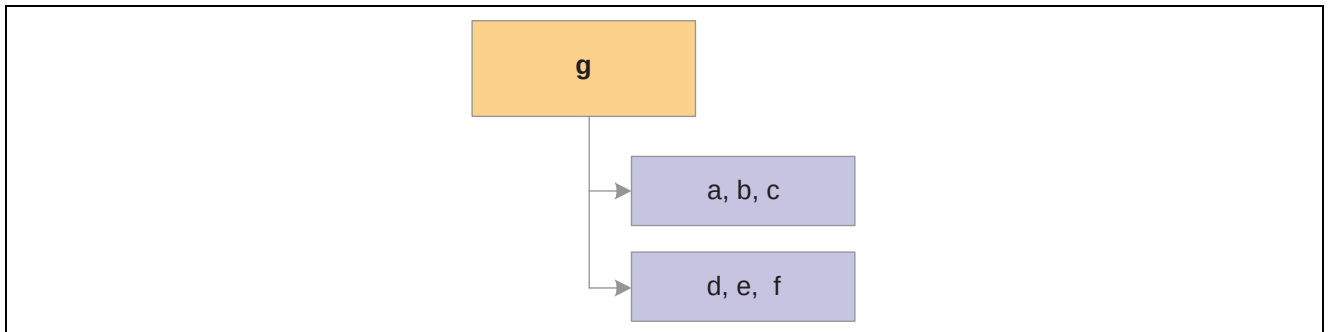
Three groups containing workers *a* through *f* are created separately in Group Build and arranged in a tree that looks like this:



Workers *e* through *f* arranged in groups on a VC tree

Notice that workers *e* and *f* are members of both the parent group and a child group. The allocation amounts for these two workers would be accounted twice in rollup to the parent group if the system did not eliminate the duplication.

The Determine Eligibility/Proration process removes the duplicate workers (*e* and *f*) from the parent group, as shown in this illustration:



The VC tree after the Determine Eligibility/Proration process deletes duplicate members from the parent group

---

**Note.** After the process removes duplicate members from the higher groups, allocation rollup is free of double accounting.

---

### Deleting Duplicates Doesn't Change Group Definitions

It is important to note that groups in a VC Tree don't always retrieve the same content as if they were used on their own. The Delete Duplicates process is within Variable Compensation only, and it does not modify the Group Definition that was set up in Group Build.

- If you generate a list of members for the group ID that is illustrated above, the list always shows all three workers (*e*, *f*, and *g*) even after the Delete Duplicates process runs.
- If you use the illustrated group ID for funding and allocation processing, the group appears to have only one member (*g*).

---

## Establishing Tree Security

To establish tree security, use the Group Tree Security (VC\_TREE\_SEC\_TABLE) component.

This section describes how to set up security relationships between Variable Compensation groups, users, and variable compensation components.

## Pages Used to Establish Tree Security

| Page Name                | Object Name       | Navigation                                                                                            | Usage                                                                                                                                                                                                                                     |
|--------------------------|-------------------|-------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Tree Security            | VC_TREE_SEC_TABLE | Set Up HRMS, Product Related, Compensation, Variable Compensation, Group Tree Security, Tree Security | Set up a security relationship between a group on a Variable Compensation tree, a user, and the Variable Compensation components. Access to a group provides access to variable compensation components for all its child groups as well. |
| VC – Tree Group Security | VC_TREE_SECU_SEC  | Click the Component Security button to the left of the User ID on the Tree Security page.             | Specify the components for which the selected user has security access.                                                                                                                                                                   |

## Setting Up Security Relationships

Access the Tree Security page.

**Tree Security**

**Tree Name:** VC\_TREE      Variable Compensation Groups      **Effective Date:** 01/01/2000

Left | Right

- KVCALL - Variable Comp ALL
- KEXECUTIVES - Executive US&CAN
- KSALES - Sales US&CAN

**Group**

**Group ID:** KVCALL      VC ALL

**User Security on Group**      Find | View All      First 1 of 1 Last

**\*Effective Date:** 01/01/2000      01/01/2000      + -

**User Security Details**      Find | View All      First 1-3 of 4 Last

**\*User ID**

HCRUSA\_KU0007      ☐ Default Security      + -

HCRUSA\_KU0011      ☐ Default Security      + -

PS      ☐ Default Security      + -

Tree Security page

- Tree Name**      Name of the tree that you entered in the search page, along with its description.
- Effective Date**      The default is the date that you entered in the Effective Date field of the search page. Change the date to access the same tree as of a different effective date.

### Using the Tree Control View

The Tree Control View on the left side of the page displays the tree as it is defined in PeopleSoft Tree Manager. Each node represents a group. The node description is the group ID.

In the Tree Control View, select a node for which you want to define security access. The Group ID and description of the group appear on the right side of the page.

## User Security on Group

### Effective Date

Enter the effective date of the user's security access. You can add rows of data with different effective dates. Enter the page in Correct History mode to delete a row.

### User ID

You see a data row for each User ID who has security access to the selected Group ID for the specified Effective Date. Add a user by adding a data row and selecting a user ID from the available values.

Set up your Group Tree Security so that you give access to both the manager *and* the approver of a group.

You cannot delete users whose access to this group is inherited from a parent group (the Default Security check box is selected). The system performs this check within the tree and between trees when the parent group is reused in another tree. If you try to delete a data row for inherited access, the system issues a message that specifies the User ID along with the Tree Name and Group ID of the parent group.



### Default Security

Click the Component Security button to the left of a User ID to access the VC - Tree Group Security page, where you set security on components for that user.

Select this check box if you want the automatic VC tree security update process to grant the user access to VC pages for all groups that you might place as a child under the selected group in future tree modifications.

*Example:* You grant User 1 Default Security access to Group A. Later you place Group D (which was formerly a sibling of A) as a child of Group A. The automatic VC tree security update process then grants User 1 default access to Group D as long as D remains a child of A. If you later modify the tree so that Group D is no longer a child of Group A, the system warns you if there is an inconsistency in security. User 1 might no longer have access to VC pages for Group D.

You cannot remove a user's security access to a group if the access is granted by default.

## Specifying Access to Components

Access the VC - Tree Group Security page.

| VC - Tree Group Security |                                |   |
|--------------------------|--------------------------------|---|
| Page Security on Group   |                                |   |
| Find   View All          |                                |   |
| First 1-11 of 21 Last    |                                |   |
| *Component Name          |                                |   |
| GB_GRP_DEFN_TABLE        | Group Build - Group Definition | + |
| RC_VC_CALCWRD_G          | Calculate Award by Group       | + |
| RC_VC_CALCWRD_P          | Calculate Award by Plan        | + |
| VC_AWD_ALLOC             | Award Allocation               | + |
| VC_AWD_ALLOC_WG          | Award Allocation with Groups   | + |
| VC_EE_HISTORY            | Employee Var Comp History      | + |
| VC_GRP_ALLOC             | Group Funding Allocation       | + |
| VC_GRP_ATN               | Group Goal Attainments         | + |
| VC_IND_ATN               | Ind. Attainments w/o Groups    | + |
| VC_IND_WG_ATN            | Ind. Attainments w/ Groups     | + |
| VC_MTX_ATN               | Matrix Attainment panelgroup   | + |

OK Cancel

VC - Tree Group Security page

**Component Name**

By default, a new user has access to all Variable Compensation components. On the VC - Tree Group Security page, delete the data rows for any components that you don't want the user to access. The system applies your component selections to the selected group ID, user ID, and effective date. Your selections also apply to any child groups of the selected group ID.

## Updating Trees and Tree Security

When the VC administrator modifies a Variable Compensation tree in PeopleSoft Tree Manager, the new structure of the tree might not be in accordance with the existing Group Tree Security. Configure your application server so that the system automatically launches a process to correct security inconsistencies resulting from the different types of tree modifications.

When the system launches the automatic process to synchronize group tree security, it also generates email notification and, in some cases, a work list entry, depending on the nature of the tree modification. Depending on whether it is a tree delete/rename or modification, the email informs the user that a synch process has been launched. In addition, depending on the cases, it triggers work list entries describing the additional manual actions required by the VC administrator.

### Deleting a Tree

If you delete a VC tree in PeopleSoft Tree Manager, the automatic process launches these actions:

- Removes the tree name from the Variable Compensation records.
- Sends an email to the VC administrator noting that the synchronization process has been launched.
- Sends a work list entry to the VC administrator with instructions to enter a new tree name in the records.

The email specifies the old deleted tree name, the deleted tree effective date, and the impacted VC Plan ID.

## Renaming a Tree

If a VC tree is renamed in PeopleSoft Tree Manager, the automatic process launches these actions:

- Changes the tree name in the Variable Compensation records.
- Sends an email to the VC administrator noting that the synchronization process has been launched.

The email specifies the old tree name and effective date and the new tree name and effective date.

## Restructuring a Tree

If the structure of a Variable Compensation tree is modified in PeopleSoft Tree Manager, the automatic process launches these actions:

- Updates the VC Group Tree Security.
- Sends an email to the VC administrator and security administrator noting that the synchronization process has been launched.

The email identifies the tree that has changed and the impact to groups and security.

---

**Warning!** You must configure your application server so that the automatic update process runs when you delete, rename, or restructure trees in PeopleSoft Tree Manager. Moreover, when modifying a tree, it is important that the messaging server is up on the application server for the service operation queue *TREE\_MAINT*. If it is not up, the update process isn't triggered and the security administrator must update security manually on the Tree Group Security page. Use the Service Operations Monitor to verify that *TREE\_CHANGE* service operations are processed correctly.

---

---

## Reporting on Tree Membership

This section discusses tree membership reporting.

## Pages Used to Report on Tree Membership

| Page Name               | Object Name   | Navigation                                                                                   | Usage                                                                                                                                                                                                                                               |
|-------------------------|---------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Grp Member Overlap      | RUNCTL_VCP001 | Compensation, Variable<br>Compensation, Variable<br>Comp Reports, Tree Member<br>Overlap     | Identifies workers who exist multiple times on a tree. This enables you to validate or correct the group membership, as appropriate.<br><br>Select the VC Tree Group Member Overlap (VCVCP001) process.                                             |
| Tree Consistency Report | RUNCTL_VC_REP | Compensation, Variable<br>Compensation, Variable<br>Comp Reports, Tree<br>Consistency Report | Provides a list of workers who have fallen off a tree and the groups to which they belonged. The variable compensation administrator or the workers' managers can use this information to ensure that these individuals get the appropriate awards. |

## Reporting on Tree Membership

Access the Grp Member Overlap page.

**Grp Member Overlap**

**Run Control ID:** GN2002M01-101

**Language:** English

[Report Manager](#)
[Process Monitor](#)
[Run](#)

Customize | Find | View All | First 1 of 1 Last

|   | Tree Name | As Of Date |
|---|-----------|------------|
| 1 |           |            |

Grp Member Overlap page

Select the tree whose membership you want to report on.

Click Run then select the process from the process list.

| Process List             |                                              |              |                    |        |         |                              |
|--------------------------|----------------------------------------------|--------------|--------------------|--------|---------|------------------------------|
| Select                   | Description                                  | Process Name | Process Type       | *Type  | *Format | Distribution                 |
| <input type="checkbox"/> | VC Group Member Overlap                      | VCP001       | SQR Report         | Web    | PDF     | <a href="#">Distribution</a> |
| <input type="checkbox"/> | <a href="#">VC Tree Group Member Overlap</a> | VCVCP001     | PSJob              | (None) | (None)  | <a href="#">Distribution</a> |
| <input type="checkbox"/> | VC Group Member Overlap                      | VC_VCP001    | Application Engine | Web    | TXT     | <a href="#">Distribution</a> |

Process Scheduler Request page

---

**Note.** You may select VC Tree Group Member Overlap (PSJob) process to run both the AE and the SQR. Or you may run the AE first, followed by the SQR.

---



## CHAPTER 6

# Processing Eligibility and Proration

This section provides overviews of eligibility and proration factor calculation and discusses how to:

- Determine eligibility and calculate proration
- View and adjust plan member eligibility.

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## Understanding Eligibility and Proration Calculation

Here are the basic steps in calculating eligibility and proration:

1. Set up plan membership.
2. Set up proration-related control tables (for prorated plans).
3. Run the Determine Eligibility/Proration Application Engine process (VC\_ELIG\_PRO).
  - The process generates a list of workers who are eligible under the plan and calculates the eligibility status.
  - For prorated plans, it calculates a proration factor that the system applies when it calculates the award allocation.
4. View and adjust plan member eligibility.

---

## Understanding Proration Factor Calculations

This section discusses:

- General proration factor calculation.
- Daily, weekly, or monthly frequency calculation method.
- Workday schedule calculation method.
- Proration percentage calculation method.
- Proration calculation method for plan members who fall off a tree.

### General Proration Factor Calculation

The proration factor is a number that expresses the amount of the payout period that an individual was an eligible plan member. The highest proration factor is one, which means that the individual was eligible for the entire payout period.

The Determine Eligibility/Proration process calculates eligibility and the proration factor. The Calculate Awards process uses the proration factor in awards calculation. Before you calculate awards, ensure that you have calculated proration for the entire plan payout period.

## Terms and Elements

These terms are important in understanding proration calculation.

|                                      |                                                                                                                                                             |
|--------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Payout Period</b>                 | Time period of a payout. Defined for the plan by begin and end dates on the VC Plan - Plan Payout Periods page.                                             |
| <b>Prorate Period</b>                | A subset of the plan payout period used for proration. The Eligibility/Proration process tests a worker's eligibility as of each proration period end date. |
| <b>Eligibility Evaluation Period</b> | Time period of the eligibility/proration calculation. Define begin and end dates on the run control page.                                                   |

## Basic Proration Factor Calculation Process

To calculate the proration factor:

1. Select Calculate Proration on the VC Plan - Plan Business Rules page.
2. Set up proration-related control tables.
  - Set up workday rules on the Workday Schedule page (for workday schedule calculation method)
  - Set up proration percentage rules on the Prorate Percent page (for proration percentage calculation method).
  - Set up proration periods on the Prorate Periods page (for all prorated plans).
3. Define the begin and end dates of the eligibility evaluation period on the Calc Eligibility/Proration Process run control page.
4. Run the process to calculate eligibility based on whether the worker is eligible as of the end date of each of the proration periods evaluated.

Each time you run the process, it calculates the cumulative eligibility proration factor for each member from the begin date of the plan payout period through the eligibility evaluation end date.

The system displays the proration factor on the Plan Members or Plan Members with Groups pages and on the Award Details section of the Award Allocation page.

## Daily, Weekly, or Monthly Frequency Calculation Method

The system calculates the proration factor for each evaluation period and accumulates the factor for the entire payout period.

### Setting Up

Set up the prorate periods on the Prorate Periods page.

1. Select *Calendar Days*, *Weekly*, or *Monthly* as the proration frequency (length of the proration period).
  - If you select *Calendar Days*, do not select a prorate % ID when the field appears.
  - If you select *Weekly*, or *Monthly*, define which day of the week or month is the as of date for eligibility calculation.

2. The system defines the end dates of proration periods for the payout period based on the daily, weekly, or monthly frequency parameters.

### Example of Monthly Calculation

This table describes the three proration periods in the example of monthly frequency with the end of the month as the period end date:

| Description                  | Date                      |
|------------------------------|---------------------------|
| Evaluation Period Begin Date | 04/01/2000                |
| Evaluation Period End Date   | 06/30/2000                |
| Proration period end dates   | April 30, May 31, June 30 |

The process evaluates eligibility for each of the three proration periods of the evaluation period. Workers eligible on the proration period end dates are eligible for the month.

The process credits qualifying members with a proration factor of 1/3 for each proration period for which they were eligible.

A member who was eligible in all three proration periods would receive a proration factor of one (3/3).

## Workday Schedule Calculation Method

The system calculates a proration factor for each day in the period and accumulates the worker's proration factors for eligible days. The calculation is as follows:

Goal Weight  $\times$  Performance Level of the Attainment Value

### Setting Up

To set up workday schedule calculation:

1. Set up Workday Rules on the Workday Schedule page.
2. Create schedules assigning a factor to each day of the week (Sunday through Saturday).
3. Each day in the period has a proration factor equal to that day's factor over the total of the factors for the period.
4. Set up the prorate periods on the Prorate Periods page.
  - Select *By Workday* as the proration frequency. This is a daily frequency, so the system creates a prorate period end date for each day in the payout period.
  - Select a Workday Rule to assign factors to each day in the payout period.
  - This Workday Rule is assigned to all members of the plan for the duration of the payout period.

### Example

Workday Schedule Definition:

| Day       | Factor |
|-----------|--------|
| Sunday    | 0      |
| Monday    | 1      |
| Tuesday   | 1      |
| Wednesday | 1      |
| Thursday  | 1      |
| Friday    | 1      |
| Saturday  | .5     |

Based on this schedule, the total factor was 23.5 in January 2000.

The proration factor attributed to a member for any eligible day in January 2000 is that day's factor on the workday schedule over 23.5. In this example, the proration factor for a Saturday is  $0.5/23.5$ ; the proration factor for a Tuesday is  $1/23.5$ .

The worker's proration factor for the entire payout period is the accumulated sum of the daily proration factors for eligible days in the period. The maximum, for a worker who is eligible on every day in the period, is  $23.5/23.5$ , or one.

## Proration Percentage Calculation Method

The proration factor is determined by looking up the percentage associated with the number of days that the worker is eligible in the period.

The calculation formula is the percentage assigned to the range into which the worker's number of eligible days falls for the period.

### Setting Up

To set up proration percentage calculation:

1. Set up proration percentage rules on the Prorate Percent page.
2. For each Prorate % ID, create separate proration rate schedules for workers who are active and those terminated at the end of the payout period.
3. For each proration rate schedule, define ranges of eligible days and associate a percentage with each range.
4. Set up prorate periods on the Prorate Periods page.
  - Select *Calendar Days* as the proration frequency. This is a daily frequency, so the system creates a prorate period end date for each day in the payout period.
  - Select a Prorate % ID to associate proration rates schedules with the plan for the payout period.

## Example

Proration Rates schedule:

| Eligible Days | Proration Percentage |
|---------------|----------------------|
| 10            | 35.00                |
| 21            | 65.00                |
| 31            | 100                  |

Sample of proration factors:

| Employee's Eligible Days | Proration Factor |
|--------------------------|------------------|
| 5                        | 35 percent       |
| 17                       | 65 percent       |
| 22                       | 100 percent      |

## Proration Calculation Method for Plan Members Who Fall Off a Tree

Sometimes a worker is a member of a group that was on the VC Tree for part of a payout period, but by the end of the period, the worker or group is no longer on the tree due to reorganization or other factors.

The Determine Eligibility/Proration process does not calculate the proration factor for such workers who fall off the tree. For prorated plans, the Consistency Report, available in the Variable Compensation report menu, provides a list of the name and employee ID of workers who have fallen off a tree, along with the group ID to which they belonged. The VC administrator or the workers' managers can use this information to manually add the workers back into the tree in a special group for this purpose.

To recalculate eligibility for workers who fall off a tree:

1. Create a group with all of the workers who fell off the tree.
2. Manually attach this group to the tree.
3. Run the eligibility process to correctly calculate the proration factor for members in the group.

## See Also

[Chapter 5, "Setting Up Plan Membership," Reporting on Tree Membership, page 51](#)

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## Determining Eligibility and Calculating Proration

The Determine Eligibility/Proration Application Engine process (VC\_ELIG\_PRO) tracks the eligibility history of each plan member from the payout period start date to the payout period end date. Run the Determine Eligibility/Proration process at any time during the life of the plan. If any awards have been manually altered or have been submitted for payout or distribution for a payout period, you cannot rerun eligibility for that payout period.

---

**Note.** The Determine Eligibility/Proration process calls the VC\_ELIG\_PRO SQL query that retrieves only the most current effective-dated row in Job data for the employee, even if the employee has more than one job action within the time period specified in the group definition in Group Build.

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**Note.** If you rerun the Determine Eligibility/Proration process after you have run the Determine Allocations or Calculate Awards process, you must run those processes again. The system issues a warning that you will lose all award calculations if you rerun the eligibility process.

---

### Page Used to Calculate Eligibility and Proration

| Page Name                   | Object Name    | Navigation                                                                                                            | Usage                                                                                                                                                                                          |
|-----------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligibility/Prorate Process | RUNCTL_VC_ELIG | Compensation, Variable Compensation, Identify Eligible Recipients, Determine Eligibility, Eligibility/Prorate Process | Run the Determine Eligibility/Proration process, which populates the Plan Members and Plan Members with Groups pages, updates eligibility status, and calculates proration for prorated plans. |

### Running the Determine Eligibility/Prorate Process

Access the Eligibility/Prorate Process page.

Eligibility / Prorate Process

Run Control ID: 1

[Report Manager](#)
[Process Monitor](#)

Run

Process Request Parameters

|                          |                                       |  |                                              |
|--------------------------|---------------------------------------|--|----------------------------------------------|
| <b>Plan ID:</b>          | <input type="text" value="HVEMPOTR"/> |  | Employee with Daily Proration                |
| <b>Payout Period ID:</b> | <input type="text" value="1"/>        |  | <b>Eval As of Date:</b> <input type="text"/> |
| <b>Eval Begin Date:</b>  | <input type="text"/>                  |  | <b>Eval End Date:</b> <input type="text"/>   |

Eligibility/Prorate Process page

Run this process to calculate and update eligibility for all plans except those having Ad Hoc Awards as the plan member rule. For Ad Hoc Award plans, manually enter and change member eligibility on the Plan Members page.

**Plan ID**

Select the VC Plan for which you want to calculate eligibility and proration.

**Payout Period ID**

Select the ID for the payout period during which you want to calculate eligibility and proration. Valid options are the payout periods that you defined for the Plan ID that you selected. The list does not include payout periods for which an award has been finalized, canceled, or manually entered. In other words, if the Award Status on the Award Allocation page is other than Initial Calculation for any award in the plan, or if any award was manually allocated, that payout period is not available for calculation of eligibility.

**Determining the Period of Calculation**

Depending on whether the Plan ID you select is a prorated plan, only certain fields are available for entry.

- For plans without proration, Eval As of Date is available.
- For prorated plans, Eval Begin Date and Eval End Date are available.

**Field Definitions****Eval As of Date** (evaluation as of date)

This field is available only for nonprorated plans. Enter the date as of which you want the process to evaluate eligibility. The current date is the default value, but you can change it. The date must fall within the Payout Period ID that you entered.

**Eval Begin Date** (evaluation begin date)

This field is available only for prorated plans. Select the date from which the process should begin the eligibility proration calculation.

If you are running the process for the first time in the payout period, the payout period start date is the only option and is always available.

If you have already run the process during the payout period, the other available option is the start date of the proration period that follows the last proration period calculated.

For example, if you last ran the process for the period 01/01/2000 (payout period start date) through 03/31/2000 (proration period end date), the two available options would be 01/01/2000 (payout period start date) and 04/01/2000 (the next proration period start date).

**Eval End Date** (evaluation end date)

This field is available only for prorated plans. Select the date through which the process should calculate eligibility proration. The available options are all proration period end dates as defined for the plan on the Prorate Periods table.

## Viewing and Adjusting Plan Member Eligibility

This section provides overviews of the Plan Members pages and eligibility status codes and discusses how to:

- View and adjust member eligibility.
- View or correct historical plan member eligibility data.
- View and adjust eligibility for plans with groups.
- Maintain eligibility for Employee Variable Compensation record plans.

## Understanding Viewing and Adjusting Plan Member Eligibility

When you run the Determine Eligibility/Proration process, the system enters eligible plan members and their eligibility status on the Plan Members page or the Plan Members with Groups page. After calculating eligibility, use these pages to view the most recent list of eligible plan members. Also use these pages to adjust eligibility at any time in the life of the VC Plan.

**Note.** Rerun the Determine Eligibility/Proration process if you adjust eligibility on the Plan Members pages.

This table illustrates which page the system populates, depending on the plan member rule:

| Plan Member Rule                                       | Page Populated by the Determine Eligibility/Proration process                                                   |
|--------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| Ad Hoc Awards                                          | The eligibility calculation process does not apply. Enter member eligibility manually on the Plan Members page. |
| Employee Variable Compensation Record (without groups) | Plan Members page                                                                                               |

| Plan Member Rule                                  | Page Populated by the Determine Eligibility/Proration process |
|---------------------------------------------------|---------------------------------------------------------------|
| Employee Variable Compensation Record with Groups | Plan Members with Groups page                                 |
| Define Tree/Group                                 | Plan Members with Groups page                                 |

These pages show current automatic eligibility status along with current and future manual eligibility status. The system tracks each change of eligibility status and keeps a full record of historical eligibility data for each worker, which you can view on the Member History page. Access the Member History page from a member's data row on the Plan Members page or Plan Members with Groups page.

### Using the Plan Member Page for Ad Hoc Awards

For Ad Hoc Awards, add a new row in the grid for each new plan member who gets an award for the plan ID and payout period ID.

### Using the Plan Member Page for Employee VC Record Without Groups

When the plan member rule is Employee Variable Compensation Record (without groups), use the Plan Members page to view plan member eligibility or to change a member's eligibility status to a manual status, but you cannot manually add members. Add members on the Individual's Payout page.

### See Also

[Chapter 5, "Setting Up Plan Membership," Setting Up Plan Members for Ad Hoc Awards, page 40](#)

## Understanding Eligibility Status

The Determine Eligibility/Proration process calculates the eligibility status for each plan member except members of Ad Hoc Award plans. Always establish eligibility status manually for Ad Hoc Award plans.

### Automatic Status Compared to Manual Status

Eligibility falls into the categories of automatic status and manual status. The Determine Eligibility/Proration process calculates automatic status based on a member's eligibility for a plan or group as established on the Individual's Payout page or in group definition criteria. Override the automatic status by entering a manual status for the plan member on the Plan Members page or Plan Members with Groups page. The system does not override a manual status with an automatic status.

Throughout the life of a VC Plan, a plan member's eligibility status can change for a number of reasons. To track changes, the system displays the member's eligibility status along with a date as of which that eligibility status is effective.

### Source of the Eligibility As Of Date

This table summarizes the source of the eligibility as of date, which depends upon the individual conditions of the plan and member:

| Plan Member Rule                                          | Source of Automatic Status                                                                                          | Source of Manual Status                                                      |
|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------|
| Ad Hoc Awards                                             | Not Possible.                                                                                                       | Entered on the Plan Members page.                                            |
| Employee VC Record (without groups)                       | Eligibility Date entered on the Individual's Payout page.                                                           | Entered on the Plan Members page.<br>Overrides automatic status.             |
| Employee VC Record with Groups<br>Or<br>Define Tree/Group | The member meets the Group Build criteria for the group on the date as of which the process calculates eligibility. | Entered on the Plan Members with Groups page.<br>Overrides automatic status. |

### Definitions of the Five Eligibility Status Codes

The five eligibility status codes are Auto Elig (automatic eligible), Auto Inelig (automatic ineligible), Elig Pro (eligible prorated), Man Elig (manual eligible), and Man Inelig (manual ineligible).

- *Auto Elig (Automatic Eligible)*

The Determine Eligibility/Proration process generates the Auto Elig status; you cannot manually enter this status. The calculation of Auto Elig status depends on the rules of the plan as follows:

| Plan Member Rule                                          | Nonprorated Plan                                                                                                                                                        | Prorated Plan                                                                                                                                                                  |
|-----------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ad Hoc Awards                                             | Automatic status is not possible.                                                                                                                                       | Automatic status is not possible.                                                                                                                                              |
| Employee VC Record (without groups)                       | On the eligibility evaluation As of Date, the member is active in the Employee VC table and the Employee Status on the Job record is not excluded under the plan rules. | During the entire eligibility evaluation period, the member is active in the Employee VC table and the Employee Status on the Job record is not excluded under the plan rules. |
| Employee VC Record with Groups<br>Or<br>Define Tree/Group | The member meets all of the Group Build group definition criteria on the eligibility evaluation as of date.                                                             | The member meets all of the Group Build group definition criteria during the entire eligibility evaluation period.                                                             |

- *Auto Inelig (Automatic Ineligible)*

The Determine Eligibility/Proration process generates the Auto Inelig status; you cannot manually enter this status. The system doesn't calculate an award allocation for plan members whose eligibility status is Auto Inelig. The calculation of the status depends on the rules of the plan as follows:

| Plan Member Rule                                          | Nonprorated Plan                                                                                                                                                       | Prorated Plan                                                                                                                                                                |
|-----------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ad Hoc Awards                                             | Automatic status is not possible.                                                                                                                                      | Automatic status is not possible.                                                                                                                                            |
| Employee VC Record (without groups)                       | On the eligibility evaluation As of Date, the member is not active in the Employee VC table or the Employee Status on the Job record is excluded under the plan rules. | The member is not active in the Employee VC table during the entire eligibility evaluation period or the Employee Status on the Job record is excluded under the plan rules. |
| Employee VC Record with Groups<br>Or<br>Define Tree/Group | The member does not meet all of the Group Build group definition criteria on the eligibility evaluation as of date.                                                    | The member does not meet all of the Group Build group definition criteria during the entire eligibility evaluation period.                                                   |

- *Elig Pro (Eligible Prorated)*

The Determine Eligibility/Proration process generates the Elig Pro status; you cannot manually enter this status. Only prorated plans use this status. Elig Pro status indicates that the member was eligible for the plan on the end date of at least one, but not all, of the proration periods for which eligibility has been calculated within the plan payout period.

- *Man Elig (Manual Eligible)*

The member was added to the plan manually. Man Elig is the default status when you insert a new row on the Plan Members or Plan Members with Groups page.

- *Man Inelig (Manual Ineligible)*

The member was manually made ineligible for the plan. The system doesn't calculate an award allocation for plan members whose eligibility status is Man Inelig.

## Pages Used to View and Adjust Plan Member Eligibility

| Page Name                | Object Name        | Navigation                                                                                                                                | Usage                                                                                                            |
|--------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|
| Plan Members             | VC_PLAN_MEM_TBL    | Compensation, Variable Compensation, Identify Eligible Recipients, Eligible Employees by Plan                                             | View and adjust member eligibility for plans that do not use groups, or add workers to a plan for Ad Hoc Awards. |
| Member History           | VC_PLAN_MEM_SEC    | Click the Member History Data button to the left of the plan member's data row on the Plan Members page or Plan Members with Groups page. | View or correct historical plan member eligibility data.                                                         |
| Plan Members with Groups | VC_PLAN_MEM_WG_TBL | Compensation, Variable Compensation, Identify Eligible Recipients, Eligible Employees by Group                                            | View and adjust member eligibility if the plan uses groups.                                                      |
| Individual's Payout      | VC_EE_VCOMP        | Compensation, Variable Compensation, Identify Eligible Recipients, Individual's Payout, Individual's Payout                               | Add or delete plan members for plans that specify Empl VC Record (without groups) as the plan member rule.       |

## Viewing and Adjusting Member Eligibility

Access the Plan Members page.

Plan Members

Plan ID: HXVCT2 VC TC Empl VC Record

Period ID: 2000-1

Period Begin/End: 01/01/2000 03/31/2000

Eval As of Date: 03/31/2000

Name:

EmplID:

Eligibility Status:

1 to 4 of 4

Search

Sort Members by

☒ EmplID
 ☐ Name

Plan Member Details

Customize | Find |

First 1-4 of 4 Last

|  | *EmplID | Name              | Empl Rcd# | *Eligibility Status | *As of Date |   |   |
|--|---------|-------------------|-----------|---------------------|-------------|---|---|
|  | HXEC01  | Kelsey MacGregor  | 0         | Auto Eligible       | 03/31/2000  | + | - |
|  | HXEC02  | George MacGregor  | 0         | Auto Eligible       | 03/31/2000  | + | - |
|  | HXEC03  | Patsy Weatherford | 0         | Auto Eligible       | 03/31/2000  | + | - |
|  | HXEC09  | Susan Rice        | 0         | Auto Eligible       | 03/31/2000  | + | - |

Plan Members page

**Prd Begin/End** (period begin and end) The dates that you defined for this VC Plan and payout period ID in the Payout Periods table.

**Eval As of Date** (evaluation as of date) Different values appear depending upon these VC Plan conditions:

| VC Plan Conditions | Default Value                                                                                            |
|--------------------|----------------------------------------------------------------------------------------------------------|
| Ad Hoc Awards      | The current date.<br>This date is not available for change.                                              |
| Nonprorated plan   | The Eval As of Date.<br>Enter this date on the Determine Eligibility/Proration process run control page. |
| Prorated plan      | The Eval End Date.<br>Enter this date on the Determine Eligibility/Proration process run control page.   |

## Populating Plan Members in Chunks

Because the number of plan members can be very large, the system loads members into this page in chunks. If members exist for the current plan ID, payout period, and group, the system loads the first chunk into the page by default. Click the Refresh button to view the members. Determine the number of rows in a chunk in the Max Number of Rows in Scrolls field on the Installation Table.

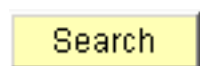
Enter information into one or more of the filter fields to narrow your search, then click the Refresh button to populate the page with members who meet the search criteria. Use navigator buttons to move from one chunk to another.

Use these filters and navigator buttons:

**Name** Enter one or more letters to filter by workers' last names.

**EmplID** (employee ID) Enter one or more numbers to filter by employee IDs.

**Eligibility Status** Select an available value to filter by status.



Click this button to retrieve and display the first chunk of members and to display the results of a new search. The field to the left of this link tells you which rows are visible compared to the total number of rows that match the current search criteria. For example, *12 to 20 of 56* means that rows 12 to 20, out of a total of 56 rows, are displayed.



(Refresh Search Fields?)

Click this button to clear all the previously entered search criteria from the filter fields.



(First Item button)

Click to display the first chunk of members.



(Previous Item button)

Click to display the previous chunk of members.



(Next Item button)

Click to display the next chunk of members.



(Last Item button)

Click to display the last chunk of members.

**Sort Members by**

Select whether you want the members to appear in the list in order by *EmplID* or *Name*. *EmplID* is the default.

**Plan Member Details**

When you click Search, the system loads the first chunk of members for the current plan ID, payout period, and group into the page. View a different chunk by using the Plan Member Chunking Controls. For Ad Hoc Award plans, the grid is empty if you have not previously entered members for the plan ID and payout period ID.

Member information displayed in this grid is the current and future information about each member, as of the Eval As of Date that appears at the top of the page. In other words, the As of Date in the grid data row is equal to or later than the Eval As of Date at the top of the page.

**EmplID** (employee ID)

The plan member's employee ID appears. Entering or changing the ID is subject to these conditions:

| Plan Member Rule                                                                 | Add EmplID                                                                                                                                                                                                                                                       |
|----------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ad Hoc Awards<br>Or<br>Employee VC Record with Groups<br>Or<br>Define Tree/Group | Authorized in Update/Display or Correct History mode when adding a worker to the plan in a new data row<br><br>The system displays the Employee Name after EmplID is selected.<br><br>The system sets the Eligibility Status of the new row to <i>Man Elig</i> . |
| Employee Variable Compensation (without groups)                                  | Not authorized.                                                                                                                                                                                                                                                  |

**Empl Rcd #** (employment record number)

The members employment record number from the latest Job record having an effective date equal to or less than the eligibility As of Date.

**Eligibility Status**

The current or future eligibility status appears. Values are:

- *Auto Elig* (automatic eligibility): The eligibility process calculates this status.
- *Auto Inelig* (automatic ineligibility): The eligibility process calculates this status.
- *Elig Pro* (eligible prorated): The eligibility process calculates this status.
- *Man Elig* (manual eligibility): The default when you add a new row.
- *Man Inelig* (manual ineligible).

Entering or changing the Eligibility Status on the Plan Members page or Plan Members with Groups page is subject to these conditions:

| Plan Member Rule                                          | Add Eligibility Status                                                                                                                                       | Change Eligibility Status                                                                                                                                                               |
|-----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Ad Hoc Awards                                             | Authorized in Update/Display or Correct History mode.<br><br>Only authorized in a new data row.<br><br><i>Man Elig</i> is the default when adding a new row. | Authorized in Correct History mode only.<br><br>Change <i>Man Elig</i> to <i>Man Inelig</i> or <i>Man Inelig</i> to <i>Man Elig</i> .                                                   |
| Employee Variable Compensation (without groups)           | Not authorized.                                                                                                                                              | Authorized in Correct History mode only.<br><br>Change <i>Man Elig</i> to <i>Man Inelig</i> or <i>Man Inelig</i> to <i>Man Elig</i> , or change an automatic status to a manual status. |
| Employee VC Record with Groups<br>Or<br>Define Tree/Group | Authorized in Update/Display or Correct History mode.<br><br>Only authorized in a new data row.<br><br><i>Man Elig</i> is the default when adding a new row. | Authorized in Correct History mode only.<br><br>Change <i>Man Elig</i> to <i>Man Inelig</i> or <i>Man Inelig</i> to <i>Man Elig</i> , or change an automatic status to a manual status. |

**As of Date**

Indicates the changes in eligibility during a given payout period.

When the Eligibility Status is Auto Elig, Auto Inelig, or Elig Pro, this date is the date as of which the system calculated eligibility. When the Eligibility Status is an auto status, you cannot change the date.

When the Eligibility Status is Man Elig or Man Inelig, you can change the As of Date only in Correct History mode.

You can enter a date between the Eval As of Date and the payout period end date only.

**Proration**

Appears only for prorated plans. The Determine Eligibility/Proration process calculates this proration factor, which is not available for change.



(Member History Data button)

Click to access the Member History page, where you can view and modify the selected member's eligibility history under this plan ID and payout period ID.

This button is unavailable if the plan member rule is Ad Hoc Award.

## Viewing or Correcting Historical Plan Member Eligibility Data

Access the Member History page.

The screenshot shows a web interface titled "Member History". It contains two main sections:

- Plan Member**: A table with the following data:
 

|                   |                  |
|-------------------|------------------|
| <b>EmplID:</b>    | HXEC01           |
| <b>Empl Rcd#:</b> | 0                |
| <b>Name:</b>      | Kelsey MacGregor |
- Eligibility History**: A section with a header bar containing "Find | View All" and navigation controls "First", "1 of 1", and "Last". Below the header, there are two fields:
  - As of Date**: A date input field with a calendar icon.
  - \*Eligibility Status**: A dropdown menu currently showing "Man Elig".
 To the right of these fields are two buttons: a blue "+" button and a blue "-" button.

Member History page

The system displays the plan member's identification information from the corresponding data row in the Plan Members page or Plan Members with Groups page.

## Eligibility History

### As of Date

The date as of which the eligibility status changed.

Change the As of Date only if the Eligibility Status is a manual status and you are in Correct History mode. The As of Date that you enter must be between the plan's payout period begin date and Eval As of Date at the top of the Plan Members page or Plan Members with Groups page.

### Eligibility Status

You must be in Correct History mode to change the Eligibility Status. You can change an automatic status to a manual status, but you cannot change manual to automatic. You can change *Man Elig* to *Man Inelig* or *Man Inelig* to *Man Elig*. You would change the status only to correct the historical information.

---

**Note.** The system does not maintain historical data for Ad Hoc plans.

---

## Viewing and Adjusting Eligibility for Plans with Groups

Access the Plan Members with Groups page.

**Plan Members with Groups**

**Plan ID:** KCORP      Tree Plan - Corporate Compensation

**Period ID:** Q1      **Period Begin/End:** 01/01/2000 03/31/2000

**Groups** Find | View All First 1 of 5 Last

**Group ID:** KCSALES      Sales CAN      **As of Date:** 03/31/2000

**Name:**          

**EmplID:**       **Eligibility Status:**       **Sort Members by**

1 to 4 of 4      Search      ☒ EmplID  
☐ Name

**Plan Member Details** Customize | Find First 1-4 of 4 Last

|                                                                                   | *EmplID | Name            | Empl Rcd# | *Eligibility Status | *As of Date | Proration |   |   |
|-----------------------------------------------------------------------------------|---------|-----------------|-----------|---------------------|-------------|-----------|---|---|
|  | KC0008  | Kenneth Wilson  | 0         | Auto Eligible       | 03/31/2000  | 1.000     | + | - |
|  | KC0013  | Margaret Tucker | 0         | Auto Eligible       | 03/31/2000  | 1.000     | + | - |
|  | KC0022  | Betty Sinclair  | 0         | Auto Eligible       | 03/31/2000  | 1.000     | + | - |
|  | KC0027  | Fred Andrews    | 0         | Auto Eligible       | 03/31/2000  | 1.000     | + | - |

Plan Members with Groups page

The fields on this page are identical to the fields on the Plan Members page with this additional field:

**Group ID**      The Group ID and the group description for the active group appears. Use the previous and next buttons to select a different group.

## See Also

Chapter 6, “Processing Eligibility and Proration,” Viewing and Adjusting Plan Member Eligibility, page 62

## Maintaining the Employee Variable Compensation Record

For plans that specify Employee Variable Compensation Record (without groups) as the plan member rule, update plan member information using the Individual’s Payout page or the Plan Members page.

See Chapter 5, “Setting Up Plan Membership,” Setting Up Members with Employee Variable Compensation Records, page 41.

## Individual’s Payout Page

Use the Individual’s Payout page to add or delete plan membership or to change target payout information at any time in the life of the plan.

To add or delete membership on the Individual’s Payout page:

1. Insert a new effective-dated row.

The system asks whether you want to copy forward all existing plan rows from the previous effective date. Copy the rows forward if the worker is still active in the plans.

2. To make a worker ineligible for a plan, insert a new effective-dated row and keep the plan detail but delete the value in the eligibility date field (null value).

Deleting the entire detail row for that plan does not make the worker ineligible.

3. To make a worker eligible for a plan, insert a new plan row and enter data as necessary.

## **Plan Members Page**

Use the Plan Members page to change a member's eligibility status.

## **See Also**

Chapter 6, "Processing Eligibility and Proration," Viewing and Adjusting Plan Member Eligibility, page 62

## CHAPTER 7

# Setting Up and Using Weighted Goals

This chapter provides overviews of weighted goals and the performance factor calculation and discusses how to:

- Set up weighted goals.
- Enter weighted goal attainments.
- Run the Organization and Group Goals report.

---

## Understanding Weighted Goals

This section discusses:

- Weighted goal terminology.
- Weighted goal levels.
- Steps for using weighted goals.
- Calculation of the performance factor

### Weighted Goal Terminology

This section discusses terminology related to weighted goals.

|                              |                                                                           |
|------------------------------|---------------------------------------------------------------------------|
| <b>Goal</b>                  | A performance measure that you define on the VC Goals Tbl page.           |
| <b>Attainment Percentage</b> | The percentage of accomplishment of performance goals at each goal level. |

### Weighted Goal Levels

You can manage a variable compensation plan by using weighted goals at up to three levels. The three levels are organization, group, and individual. When you define the plan, assign a plan goal weight to each level. The plan goal weight indicates the relative value of each level in the final performance factor calculation. If you don't use a level, assign a plan goal weight of 0 percent.

To calculate the performance of an individual, the system multiplies the goal attainment at each level by the goal weight percentage to produce a weighted attainment. It then calculates the total weighted attainments of all three levels.

## Organization Goals

Organization goals are performance goals that you set for the entire organization. Assign a weighted goal percentage to each organization goal to determine its importance relative to other goals at the same level. The attainment percentage of the organization goals affects the variable compensation calculation of all plan members equally. An organization goal might be financial (for example, revenues), or it could be operational (for example, headcount).

## Group Goals

You can use group goals if you administer the plan by using groups. Group goals are performance goals that you set for all members of a group. Child groups inherit the performance factor of parent groups unless you establish different goals at the child group level. When you specify goals for a group, the group performance factor is calculated based on the attainments for the group's own goals. If no goals are specified, the group performance factor is taken from the parent group.

Assign a weighted goal percentage to each group goal to determine its importance relative to other goals at the same level. The attainment percentage of group goals affects the variable compensation calculation of all members of the group equally.

## Individual Goals

Individual goals are performance goals that you set for individual plan members. You assign a weighted goal percentage to an individual goal to determine its importance relative to other goals at the same level. The attainment percentage of individual goals affects only the variable compensation calculation of the individual plan member.

## See Also

Chapter 7, "Setting Up and Using Weighted Goals," Running the Organization and Group Goals Report, page 82

Chapter 3, "Setting Up Data Elements," Defining Goals, page 16

## Steps for Using Weighted Goals

Here are the high-level steps for using weighted goals to manage a plan:

1. Define goal IDs on the Goal page.
2. Define weighted goals as a plan option on the Plan Definition page.
  - a. Select *Weighted Goals* as the plan goals type.
  - b. Specify the plan goal weights for each of the three goal levels (the total must be 100 percent).
3. Set up weighted goals in the Plan Goals component (VC\_PLAN\_GOAL) or the Plan Goals with Groups (plan goals with groups) component (VC\_PLAN\_GOAL\_WG).
4. Enter goal attainments for each level of weighted goals on the goal attainments pages.
5. Calculate a performance factor for organization and group goals by running the Determine Allocation Application Engine process (VC\_DET\_ALLOC).
6. Calculate a performance factor for individual goals by running the Calculate Awards Application Engine process (VC\_CALWRD or VC\_CALWRD\_WG).
7. Apply the performance factor to the target payout by running the Calculate Awards process.
8. Run the optional Organization and Group Goals report before or after the measurement period.

## Calculation of the Performance Factor

The Determine Allocations process calculates the performance factor for organization and group goals. The Calculate Awards process calculates the performance factor for individual goals. The Calculate Awards process also calculates the total performance factor and applies it to the prorated target payout.

The system multiplies these three percentages to calculate the performance factor for each goal:

- The weighting percentage that you assign to the goal level when you define the plan.
- The weighting percentage that you assign to the performance goal.
- The percentage of accomplishment of the performance goal.

The formula for calculating the performance factor for each goal is:

Plan Goal Weighted Percentage × Weighted Goal Percentage × Attainment Percentage = Performance Factor

The Calculate Awards process sums the performance factor of all goals to derive the plan member's total performance factor. It rounds the calculation up to five decimal places.

### Example of a Performance Factor Calculation and Award Calculation

The following diagram illustrates a performance factor calculation for goals established at three levels, using the formula:

Plan Goal Weighted Percentage × Weighted Goal Percentage × Attainment Percentage = Performance Factor

| Goals                    | Plan Goal Weight Percentage | Weighted Goal Percentage | Attainment Percentage | Performance Factor |
|--------------------------|-----------------------------|--------------------------|-----------------------|--------------------|
| Org. Goal 1              | 50                          | 35                       | 100                   | .175               |
| Org. Goal 2              | 50                          | 65                       | 125                   | .40625             |
| Group Goal 1             | 35                          | 50                       | 75                    | .13125             |
| Group Goal 2             | 35                          | 50                       | 50                    | .0875              |
| Individual Goal 1        | 15                          | 100                      | 100                   | .15                |
| Total Performance Factor |                             |                          |                       | .95                |

Performance factor calculation

The Calculate Awards process multiplies the prorated target payout by the performance factor to calculate the award.

The following data is used to calculate the quarterly award in this example:

| Data Description    | Data Value                                 |
|---------------------|--------------------------------------------|
| Worker salary       | \$50,000 (annual rate)                     |
| Plan payout formula | 15% of base pay (quarterly)                |
| Proration factor    | 0.75                                       |
| Performance factor  | 0.95 (calculated in the preceding example) |

Here is the calculation of the award:

$$\{((\$50,000 \times 15\%) \div 4) \times 0.75\} \times 0.95 = \$1,335.94$$

## Setting Up Weighted Goals

This section provides an overview, lists prerequisites, and lists the pages used to set up weighted goals at the plan, group, or individual level.

### Understanding Weighted Goal Setup

To set up weighted goals, use the Plan Goals (VC\_PLAN\_GOAL) and Plan Goals with Groups (VC\_PLAN\_GOAL\_WG) components.

Set up goals only at levels for which the Plan Goal Weight is above 0% on the Plan Definition page. You can set up any number of goals at each level, as long as the total weighting percent at each level is 100%.

#### Example of One Goal at One Level

This table illustrates setting up one goal at one level:

|                          |                            |
|--------------------------|----------------------------|
| <i>Goal</i>              | ROI (return on investment) |
| <i>Weighting Percent</i> | 100 percent                |
| <i>Comments</i>          | ROI goal of 18 percent     |

#### Example of Three Goals at One Level

This table illustrates setting up three goals at one level:

|                          |                        |               |                   |
|--------------------------|------------------------|---------------|-------------------|
| <i>Goal</i>              | ROI                    | EPS           | TSR               |
| <i>Weighting Percent</i> | 50 percent             | 25 percent    | 25 percent        |
| <i>Comments</i>          | ROI goal of 18 percent | EPS of \$2.35 | 11 percent of TSR |

## Prerequisites

Before you can set up the goal weights, you must:

- Define goals.

See [Chapter 3, “Setting Up Data Elements,” Defining Goals, page 16.](#)

- Set up the plan definition for weighted goals.

See [Chapter 4, “Setting Up Variable Compensation Plans,” Specifying the VC Plan Definition, page 26.](#)

## Pages Used to Set Up Weighted Goals

| Page Name          | Object Name | Navigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                           | Usage                                                                                                                                                                                                                  |
|--------------------|-------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Organization Goals | VC_ORG_GOAL | <ul style="list-style-type: none"> <li>• Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals, Organization Goals</li> <li>• Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals with Groups, Organization Goals</li> <li>• Compensation, Variable Compensation, Maintain Plan, Plan Goals, Organization Goals</li> <li>• Compensation, Variable Compensation, Maintain Plan, Plan Goals w/ Groups, Organization Goals</li> </ul> | Assign goals to the plan at the organization level and indicate their relative weighting. The sum of all organization goals must be 100 percent.                                                                       |
| Group Goals        | VC_GRP_GOAL | <ul style="list-style-type: none"> <li>• Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals with Groups, Group Goals</li> <li>• Compensation, Variable Compensation, Maintain Plan, Plan Goals w/ Groups, Group Goals</li> </ul>                                                                                                                                                                                                                          | <p>Assign goals to the plan at the group level and indicate their relative weighting. The sum of all group goals must be 100 percent.</p> <p>The search dialog for the component lists only plans that use groups.</p> |

| Page Name                | Object Name    | Navigation                                                                                                                                                                                                                                                                        | Usage                                                                                                                                                                                                                                                                                                                                                                                                          |
|--------------------------|----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Default Individual Goals | VC_IND_GOAL    | <ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals, Default Individual Goals</li> <li>Compensation, Variable Compensation, Maintain Plan, Plan Goals, Default Individual Goals</li> </ul>                       | <p>For plans that do not use groups. Assign default goals to the plan at the individual level and indicate their relative weighting. The sum of all individual goals must equal 100 percent.</p> <p>The system enters the goals that you set up on the Default Individual Goals setup page as the default goals on the Individual Goal Attainments page, where you can modify them for individual workers.</p> |
| Default Individual Goals | VC_IND_GOAL_WG | <ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals with Groups, Default Individual Goals</li> <li>Compensation, Variable Compensation, Maintain Plan, Plan Goals w/ Groups, Default Individual Goals</li> </ul> | <p>For plans that use groups. Assign default individual goals to each group in the plan and indicate their relative weighting. The sum of all individual goals must equal 100 percent.</p> <p>The system enters the goals that you set up on the Default Individual Goals setup page as the default goals on the Individual Goal Attainments page, where you can modify them for individual workers.</p>       |

## Entering Weighted Goal Attainments

This section provides an overview of weighted goal attainments and discusses how to:

- Enter organization goal attainments.
- Enter group goal attainments.
- Enter individual goal attainments.
- Enter goal attainments for individuals with groups.

## Understanding Weighted Goal Attainments

A goal attainment is a percentage that expresses the degree to which the organization, group, or individual meets the stated goal during the performance period. Enter an attainment percentage greater than 100 percent if performance of the goal exceeds expected performance. If you do not enter an attainment percentage for a goal that you have set up, the system uses 0 percent as the attainment percentage for that goal.

Enter goal attainments at each level for which you set up weighted goals in the plan. When you access a goal attainment page, the system displays a data row for each goal ID that you set up at that level for the plan or group.

Enter goal attainments whenever the information is available in the organization's business process, subject to these limitations.

### Organization and Group Attainments

Enter all organization and group attainments before you run the Determine Allocation process.

### Individual Attainments

Enter individual attainments any time after you've run the Eligibility process but before you run the Calculate Awards process for the plan or group.

## Pages Used to Enter Weighted Goal Attainments

| Page Name                                                         | Object Name        | Navigation                                                                                                        | Usage                                                                                                                                                       |
|-------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Organization Goal Attainment                                      | VC_ORG_GOAL_ATN    | Compensation, Variable Compensation, Define Goal Attainments, Organization's Goals, Organization Goal Attainment  | Enter the goal attainments for the organization goals that you set up for the plan.                                                                         |
| Group Goal Attainments                                            | VC_GRP_GOAL_ATN    | Compensation, Variable Compensation, Define Goal Attainments, Group's Goals, Group Goal Attainments               | Enter the goal attainments for the group goals that you set up for the plan.                                                                                |
| Individual Attainments                                            | VC_IND_GOAL_ATN    | Compensation, Variable Compensation, Define Goal Attainments, Individual's Goals, Individual Attainments          | For plans that don't use groups, add goals and weights, change or delete default goals and weights, and enter goal attainments for individual plan members. |
| Ind. Attainments With Groups (individual attainments with groups) | VC_IND_GOAL_WG_ATN | Compensation, Variable Compensation, Define Goal Attainments, Individual w/in Group, Ind. Attainments With Groups | For plans that use groups, add goals and weights, change or delete default goals and weights, and enter goal attainments for individual plan members.       |

## Entering Organization Goal Attainments

Access the Organization Goal Attainment page.

Organization Goal Attainment page

- Period ID** Select the plan payout period for which you want to enter goal attainments.
- Goal ID** Select a goal ID. The system displays a row for each goal ID that you enter on the Organization Goals setup page. You must enter a goal attainment for each goal that you set up. The system use 0 percent as the attainment percentage if you leave this field blank.
- Weight** The system displays the weighting percentage that you assign to the goal ID.
- Attainment** Enter the percentage attained value for the goal.
- Long Description** Enter any information pertinent to the goal attainment.

## Entering Group Goal Attainments

Access the Group Goal Attainments page.

The system attributes a group's performance factor to all of its child groups unless you have set up goals at a child level. As a result, any child group without defined goals takes on the performance factor of the next highest group with defined goals on the tree.

---

**Note.** The child group does not inherit the actual attainments; it inherits only the performance factor.

---

All fields on this page are identical to the fields on the Organization Goal Attainment page, with the addition of the Group ID field.

- Group ID** Select the ID of the group whose goal attainments you want to enter. The system displays the description of the group.

### See Also

Chapter 7, "Setting Up and Using Weighted Goals," Entering Organization Goal Attainments, page 79

## Entering Individual Goal Attainments

Access the Individual Attainments page.

The Individual Attainments page is similar to the Group Goal Attainments page and the Organization Goal Attainments page. The Eligibility/Proration process loads the default individual goals onto this page for all eligible plan members. Use the defaults as a starting point for updating the individual's goals before entering goal attainments.

|                     |                                                                                                                                                                                                                                                                                                                                                                   |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Period ID</b>    | Displays the ID for the plan payout period for which you want to enter goal attainments.                                                                                                                                                                                                                                                                          |
| <b>No Goals</b>     | Select to delete all individual goals for the plan member. When you select No Goals, the system deletes all individual goal records for the plan member. This renders the fields unavailable for entry. The system then uses 100 percent as the attainment percentage at the individual level. That way, a lack of goals does not cause a reduction of the award. |
| <b>Total Weight</b> | The system sums the weighting percentages as you change or enter them for each goal, and it displays the cumulative total in this field. Adjust the weights for goals until the sum of all goal weights for the payout period is 100 percent. Before you can save the page, the total weight must equal 100 percent.                                              |
| <b>Goal ID</b>      | Displays a row for each default goal ID that you enter on the Organization Goals setup page. Select a data row for a default goal ID, or add a new goal by selecting an ID from the options.                                                                                                                                                                      |
| <b>Weight</b>       | Displays the weighting percentage assigned to the default goal ID. Change the default weight, or enter a weighting percent for a new goal ID. The total of all weights for the payout period ID must equal 100 percent.                                                                                                                                           |
| <b>Attainment</b>   | Enter the percentage attained value for each goal.                                                                                                                                                                                                                                                                                                                |

## Entering Goal Attainments for Individuals with Groups

Access the Ind. Attainments With Groups page.

**Ind. Attainments With Groups**

**Plan ID:** KCORP Tree Plan - Corporate Compensation

**Period ID:** Q1

**Groups** Find | View All First 1 of 5 Last

**Group ID:** KCSALES Sales CAN

**Employee Details** Find | View All First 1 of 4 Last

**EmplID:** KC0008 Kenneth Wilson

**Empl Rcd#:** 0 ☐ No Goals **Total Weight:** 100.00

**Individual Goal Attainments** Find | View All First 1 of 1 Last

**\*Goal ID:** KINDVDUAL Individual Sales Goals

**Weight:** 100.00

**Attainment:** 100.00

**Long Description:**

Ind. Attainments With Groups page

The system does not automatically apply the attainment percentages of a parent group to its child groups on the tree. You must select the group ID of each group for which you want to modify default individual goals and enter attainment percentages.

The Eligibility/Proration process loads the default individual goals into this page for members of groups with default individual goals defined. Use the defaults as a starting point for updating the individual's goals before entering goal attainments.

All fields on this page are identical to the fields on the Individual Attainment page, with the addition of the Group ID field.

**Group ID** Displays the group ID of the plan members whose goal attainments you want to enter.

### See Also

Chapter 7, "Setting Up and Using Weighted Goals," [Entering Individual Goal Attainments](#), page 81

## Running the Organization and Group Goals Report

This section lists the page used to run the Organization and Group Goals report (VC011).

## Page Used to Run the Organization and Group Goals Report

| Page Name                    | Object Name   | Navigation                                                                                                                            | Usage                                                                                                                                                                                                                                                                                                                  |
|------------------------------|---------------|---------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Organization and Group Goals | RUNCTL_VC_REP | Compensation, Variable<br>Compensation, Variable<br>Comp Reports, Organization<br>and Group Goals,<br>Organization and Group<br>Goals | Run the Organization<br>and Group Goals report<br>(VC011). This report<br>provides the plan goal<br>weights for the variable<br>compensation plan ID and<br>period ID. It also lists all<br>organization and group<br>weighted goals in the plan<br>with their weighting<br>percentages and attainment<br>percentages. |



## CHAPTER 8

# Setting Up and Using Matrix Goals

This chapter provides an overview of matrix goals and performance score calculation and discusses how to:

- Set up matrix goals.
- Enter matrix goal attainments.

---

## Understanding Matrix Goals

This section discusses:

- Types of matrix goals.
- Matrix goal terminology.
- Steps for using matrix goals.
- Example of goals matrix and performance score calculation.

### Types of Matrix Goals

When you use a goals matrix, you set up goals, performance levels, and a payout schedule. The system calculates a performance score that determines the payout formula that the Award Allocation process uses to calculate awards.

Because a goals matrix determines the payout formula at the organization or group level, consider your options carefully before using a goals matrix for plans administered with one of these plan member rules:

- Employee VC Record
- Employee VC Record with Groups

With these plan member rules, you can set the target payout at the individual plan member level. You override this feature when you use a goals matrix.

You can manage a variable compensation plan with a goals matrix at the organization level or the group level. The level depends on the plan member rule that you established for the plan, as follows:

- Use an organization goal matrix if the plan member rule is Empl VC Record (without groups).
- Set up the matrix at the group level for group goals if the plan member rule is Empl VC Record with Groups or Define Tree/Group.

The system does not support matrix goals at the individual level.

## Organization Goals Matrix

With this type of matrix, you set performance goals for the entire organization. The performance score for organization goals determines the payout formula for all plan members.

## Group Goals Matrix

With this type of matrix, you set performance goals for all members of a group. Child groups inherit the group goals and attainments of parent groups, unless you establish a different goals matrix at the child group level. The performance score for group goals determines the payout formula for all members of the group.

## Matrix Goal Terminology

This section discusses terminology related to matrix goals.

|                          |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Weight</b>            | The weighting percentages assigned to the performance goals that you set up in the matrix.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Threshold</b>         | Minimal performance conditions that must be met before a payout occurs. Thresholds cancel payouts when a minimally acceptable performance level is not achieved for the goals that you set.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Target</b>            | Performance conditions that must be met before an optimal payout occurs. A target involves the average level of performance in achieving the goals in the matrix. A group or organization typically meets the target level of performance 80 percent of the time.                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Stretch</b>           | Performance conditions that must be met before the highest payout occurs. Stretch involves the maximum level of performance in achieving the goals in the matrix. A group or organization typically reaches the stretch level of performance 50 percent of the time.                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>Performance level</b> | <p>The percentages that you assign to the threshold, target, and stretch levels in the matrix. The system uses these percentages to calculate the performance score.</p> <p>The number of performance levels corresponds to the number of columns that you specify for the matrix. It is common to set up five levels that range from 80 percent to 120 percent. In such a scheme, 80 percent and 90 percent represent performance that is below expected, 100 percent represents the expected level of performance, and 110 percent and 120 percent represent higher-than-expected performance. Three-level and seven-level matrices are also common.</p> |
| <b>Attainment</b>        | Numeric representation of the attainment of a matrix goal. The system interpolates the goal attainment value to a performance value. That performance value determines the performance level percentage used in the performance score calculation.                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Score</b>             | The system calculates the score for each goal by multiplying the goal weight by the percentage of the performance level at which the attainment value falls. The total performance score is the sum of the scores for all goals in the matrix. The system determines the payout formula based on where the total performance score falls on the payout schedule.                                                                                                                                                                                                                                                                                           |
| <b>Total score</b>       | Sum of the performance scores for all goals within the matrix. The system determines the payout formula based on where the total performance score falls on the payout schedule.                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |

|                        |                                                                                                                                              |
|------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Payout schedule</b> | Schedule of performance score ranges and associated payout formulas.                                                                         |
| <b>Payout formula</b>  | Formula that the system uses to calculate the plan member's variable compensation award. Typically, the formula is a percentage of base pay. |

## Steps for Using Matrix Goals

Here are the high-level steps for using a goals matrix to manage a variable compensation plan:

1. Define goal IDs on the VC Goal Table page.
2. Define the goals matrix option on the VC Plan - Plan Definition page.  
To define the goals matrix:
  - a. Select *Goals Matrix* as the plan goals type.
  - b. Define the number of columns that you want to set up in the matrix.
3. Set up the goal matrix on the Plan Goals - Matrix Goals page or the Plan Goals with Groups - Matrix Goals page.
  - a. Enter the goal IDs that you use to evaluate performance.
  - b. Establish a weighting percentage for each goal ID (the cumulative total of the weights for all goals must equal 100 percent).
  - c. Enter the threshold, target, and stretch performance level percentages for the number of matrix columns that you define for the plan.
  - d. Identify the measurable performance level values for each goal at each performance percentage level.
4. On the Payout Schedule page, identify a payout schedule that represents the amount of award that a plan member would receive at the various performance levels.
5. On the matrix goal attainment pages, enter the goal attainment value for each goal.

The system performs these calculations:

- Determines the performance score for each goal.
- Sums the scores of all goals.
- Determines the payout formula.

6. Calculate the award using the payout formula by running the Calculate Awards process.

### See Also

Chapter 3, "Setting Up Data Elements," Defining Goals, page 16

## Example of Goals Matrix and Performance Score Calculation

This example illustrates a sample goal matrix with five columns:

| Performance Levels       |        |                         |     | Performance Values |      |         |             |       |
|--------------------------|--------|-------------------------|-----|--------------------|------|---------|-------------|-------|
|                          |        | Threshold               |     | Target             |      | Stretch |             |       |
| Goals                    | Weight | 80%                     | 90% | 100%               | 110% | 120%    | Attain-ment | Score |
| On-Time Service Accuracy | 40%    | 85%                     | 90% | 92%                | 94%  | 97%     | 92%         | 40    |
| Contribution Margin      | 35%    | 12%                     | 14% | 16%                | 18%  | 20%     | 18%         | 39    |
| Customer Satisfaction    | 25%    | 80                      | 85  | 90                 | 95   | 98      | 85          | 23    |
| Total Goal Weight        | 100%   | Total Performance Score |     |                    |      |         |             | 102   |

Sample goal matrix

The sample matrix shows these elements:

- Five performance levels ranging from 80 percent to 120 percent (for the threshold, target, and stretch levels).
- Three goals for measuring performance.
- Weight percentages for each goal (the total goal weight is 100 percent).
- The performance values to be attained for each goal at each performance level.

**Note.** The contribution margin is usually expressed as a percentage. The plan administrator has indicated that a contribution margin of 12 percent is the lowest value that the organization needs to reach to qualify for a reward. However, 16 percent is the ideal target.

You do not have to express performance values as percentages. Note that the customer satisfaction performance value is a flat amount because it is measured by scores on a survey.

- The actual goal *attainment* value expressed in the same measure (percent or flat amount) as the performance value for each goal.
- The score that the system has calculated for each goal and the total performance score.

## Calculation of the Performance Score

The formula for calculating the performance score is:

Goal Weight × Performance Level of the Attainment Value

In the example, the attainment value for on-time service accuracy is 92 percent. The 92 percent performance value falls at the 100 percent performance level. So the performance score calculation for on-time service accuracy is:

$$40\% \times 100\% = 40$$

The attainment value for the contribution margin is 18 percent. The 18 percent performance value falls at the 110 percent performance level. So the performance score calculation for the contribution margin is:

$$35\% \times 110\% = 39$$

The attainment value for customer satisfaction is 85. The performance value of 85 falls at the 90 percent performance level. So the performance score calculation for customer satisfaction is:

$$25\% \times 90\% = 23$$

The total performance score is the sum of the scores for all three goals:

$$40 + 39 + 23 = 102$$

---

**Note.** If the attainment value falls between two performance levels, the system interpolates the performance level. For example, if the attainment value for on-time service accuracy is 91 percent, the system interpolates the performance level to be 95 percent. The 95 percent value is the midpoint between the performance levels at 90 percent and 100 percent, which correspond to the performance values of 90 percent and 92 percent, respectively).

---

### Determination of the Payout Formula

You set up a payout schedule that associates payout formulas with ranges of total scores. The system evaluates only the scores that are equal to or higher than the threshold when it assigns payout formulas.

Here is an example of a payout schedule:

| Range   | Payout Formula            |
|---------|---------------------------|
| 80–90   | 3% of quarterly base pay  |
| 90–100  | 5% of quarterly base pay  |
| 100–110 | 7% of quarterly base pay  |
| 110–120 | 10% of quarterly base pay |
| 120     | 15% of quarterly base pay |

In this example, the total performance score of 102 falls in the range of 100–109, so the payout formula is 7 percent of quarterly base pay. The Calculate Awards process uses the payout formula when it calculates the award.

---

## Setting Up Matrix Goals

To set up matrix goals, use the Plan Goals (VC\_PLAN\_GOAL) and Plan Goals with Groups (VC\_PLAN\_GOAL\_WG) components.

This section discusses how to:

- Define a goal matrix for a plan without groups.
- Define a goal matrix for a plan with groups.
- Assign payout formulas to performance score ranges.

## Pages Used to Set Up Matrix Goals

| Page Name                | Object Name     | Navigation                                                                                                                                                                                                                                                                        | Usage                                                                              |
|--------------------------|-----------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------|
| Matrix Goals             | VC_MTX_GOAL     | <ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals, Matrix Goals</li> <li>Compensation, Variable Compensation, Maintain Plan, Plan Goals, Matrix Goals</li> </ul>                                               | Define the goals matrix for a variable compensation plan that does not use groups. |
| Matrix Goals With Groups | VC_MTX_GOAL_WG  | <ul style="list-style-type: none"> <li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Goals with Groups, Matrix Goals With Groups</li> <li>Compensation, Variable Compensation, Maintain Plan, Plan Goals w/ Groups, Matrix Goals With Groups</li> </ul> | Define the goals matrix for a variable compensation plan that uses groups.         |
| Payout Schedule          | VC_PAYOUT_SCHED | Click the Payout Schedule link on the Matrix Goals page or the Matrix Goals With Groups page.                                                                                                                                                                                     | Assign payout formulas to ranges of performance scores.                            |

## Defining a Goal Matrix for a Plan Without Groups

Access the Matrix Goals page.

[Organization Goals](#)
[Default Individual Goals](#)
[Matrix Goals](#)

**Plan ID:** HXVC04      VC Discr Cash Org Matrix Goals

**Matrix Definition**
[Find](#) | [View All](#)    First ◀ 1 of 2 ▶ Last

**Period ID:** 1999

|                                 | Threshold | Target | Stretch |
|---------------------------------|-----------|--------|---------|
|                                 | Step 1    | Step 2 | Step 3  |
| <a href="#">Payout Schedule</a> | 75.00     | 90.00  | 105.00  |

**Goals Matrix**
[Find](#) | [View All](#)    First ◀ 1-2 of 2 ▶ Last

| *Goal ID     | *Weight | 75    | 90    | 105    |     |
|--------------|---------|-------|-------|--------|-----|
| HXVCGOAL01 🔍 | 75.00   | 1.50  | 3.00  | 5.00   | + - |
| HXVCGOAL05 🔍 | 25.00   | 90.00 | 95.00 | 100.00 | + - |

**Total Weight:** 100.00

Matrix Goals page

**Payout Schedule**

Click to access the Payout Schedule page, where you define payout formulas for various performance levels.

**Threshold**

Enter performance level percents for each Threshold column of the matrix. Threshold percents are generally less than 100 percent.

**Target**

Enter the performance level percent for the Target column of the matrix. The Target percent is generally 100 percent.

**Stretch**

Enter performance level percents for each Stretch column of the matrix. Stretch percents are generally greater than 100 percent.

**Goal ID**

Select an ID from the options.

**Weight**

Enter a weight for the goal ID. Express weighting percents in up to two decimal places, for example, 18.25 percent. To save the page, the total of all weights for the payout period ID must equal 100 percent.

**Threshold, Target, Stretch**

For each Goal ID, enter a performance value to be attained at each threshold, target, and stretch performance level in the matrix. Depending upon how you measure the goal, express the performance value as a percentage or as a flat amount.

**Total Weight**

The system sums the weighting percents as you enter them for each goal and displays the cumulative total in the Total Weight field. Adjust the weights for goals until the sum of all weighting percents for the payout period is 100 percent. To save the page, the Total Weight must equal 100 percent.

## Defining a Goal Matrix for a Plan With Groups

Access the Matrix Goals With Groups page.

**Note.** The Matrix Goals With Groups setup page is identical to the Matrix Goals setup page with the addition of the Group ID field.

### Group ID

The Group ID field appears on the page only if you administer the plan using groups accessed from the Plan Goals With Groups page.

Select the Group ID for which you want to set up a goals matrix. The system displays the description of the group. The system automatically applies the goals matrix of the highest group to all groups on the tree.

If you want to set up a different goals matrix for lower level groups, insert a row, select the lower level Group ID, and set up the matrix. When calculating awards, the system automatically applies the matrix to child groups unless you select a lower group and set up a different matrix.

### See Also

Chapter 8, “Setting Up and Using Matrix Goals,” Defining a Goal Matrix for a Plan Without Groups, page 90

## Assigning Payout Formulas to Performance Score Ranges

Access the Payout Schedule page.

**Payout Schedule**

**Plan ID:** HXVC04 VC Discr Cash Org Matrix Goals

**Period ID:** 1999

**Group ID:** NOGROUP

| Payout Schedule |          |                 |          | Find   View All | First | 1-2 of 2 | Last |
|-----------------|----------|-----------------|----------|-----------------|-------|----------|------|
| From Score      | To Score | *Payout Formula |          |                 |       |          |      |
| 75.00           | 90.00    | HX16K           | VC 16000 |                 |       |          |      |
| 90.00           |          | HX32500         | VC 32500 |                 |       |          |      |

Payout Schedule page

### From Score

Enter the low score in the range for which you want to assign a payout formula. For example, if you want to set a range from 80 - 90, enter 80. The lowest value in the From Score field should be equal to or higher than the threshold score.

**To Score**

The system populates this field with the From Score that you enter in the next row.

The system interprets the range up to the To Score, at the level of two decimal places. For example, if the range is 80-90, any score up to 89.99 is in the range. A score of 90 is in the next range.

**Payout Formula**

Select a Payout Formula for the range of scores that you defined.

---

## Entering Matrix Goal Attainments

Enter goal attainments after you have completed the performance review. You must complete the attainments before calculating awards.

This section discusses how to:

- Enter matrix goal attainments for plans without groups.
- Enter matrix goal attainments for plans with groups.

## Pages Used to Enter Matrix Goal Attainments

| Page Name                      | Object Name        | Navigation                                                                                                            | Usage                                                                                                                                                 |
|--------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------|
| Matrix Goal Attainment         | VC_MTX_GOAL_ATN    | Compensation, Variable Compensation, Define Goal Attainments, Matrix Goals, Matrix Goal Attainment                    | Enter the numeric value for the attainment of each goal in the matrix. The system calculates the performance score and determines the payout formula. |
| Matrix Attainments With Groups | VC_MTX_GOAL_WG_ATN | Compensation, Variable Compensation, Define Goal Attainments, Matrix Goals w/in Group, Matrix Attainments With Groups | Enter the numeric value for the attainment of each goal in the matrix. The system calculates the performance score and determines the payout formula. |

## Entering Matrix Goal Attainments for Plans Without Groups

Access the Matrix Goal Attainment page.

Matrix Goal Attainment

Plan ID: HXVC04 VC Discr Cash Org Matrix Goals

Matrix Definition

Find | View All First 1 of 2 Last

Period ID: 1999

|                                 | Threshold | Target | Stretch |
|---------------------------------|-----------|--------|---------|
|                                 | Step 1    | Step 2 | Step 3  |
| <a href="#">Payout Schedule</a> | 75.00     | 90.00  | 105.00  |

Goals Matrix

Find | View All First 1-2 of 2 Last

| Goal ID    | Weight |       | Attainment | Score              |
|------------|--------|-------|------------|--------------------|
| HXVCGOAL01 | 75.00  | 1.50  | 3.00       | 4.00 73.13         |
| HXVCGOAL05 | 25.00  | 90.00 | 95.00      | 100.00 96.00 23.25 |

Total Weight: 100.00

Payout Formula: HX32500

Total Score: 96.380

Matrix Goal Attainment page

## Viewing the Goals Matrix

The system displays the goals matrix that you set up for the plan ID with the values that you entered on the Matrix Goals setup page. You cannot change those values on this page.

## Entering Goal Attainments

### Attainment

On each row of the matrix, enter the goal attainment value for that goal. It is expressed in the same numeric representation as the performance values that you entered into the matrix. The system uses the goal attainment value to interpolate a performance value in the matrix, and it uses the percentage of the corresponding performance level in the performance score calculation.

### Score

The system calculates the performance score by multiplying the goal weight by the performance level that was calculated for the attainment.

### Total Score

The system displays the sum of the performance scores for all goals. It uses the total score to determine the payout formula.

### Payout Formula

The system compares the total score to the score ranges that you set up on the Payout Schedule page. It populates the Payout Formula field with the payout formula that you defined for the corresponding range.

## Entering Matrix Goal Attainments for Plans with Groups

Access the Matrix Attainments With Groups page.

This page and its fields are identical to the Matrix Goal Attainments page, with the addition of this field:

### Group ID

Find the group ID for which you want to enter goal attainment values. Only the groups for which you have security access are available.

The system automatically applies the highest group's attainments, performance scores, and payout formula to all child groups, unless you have set up a different matrix at a lower level. By default, child groups take on the matrix and payout formula of the next highest group with a goal matrix.



## CHAPTER 9

# Funding Variable Compensation Plans and Groups

This chapter provides overviews of funding plans and allocating funds to groups and discusses how to:

- Budget awards.
- Fund variable compensation plans.
- Allocate funds to groups.

---

## Understanding Variable Compensation Funding

Plan funding sets a cap on payouts under the plan. If funding falls short of the calculated payout, the Calculate Awards process calculates and applies an adjustment factor to awards that are above the minimum. The system tracks and updates your funding balances as you grant awards on the Award Allocation page

To fund a variable compensation plan:

1. Select Funded Plan on the VC Plan - Plan Business Rules page when you set up the plan.
2. Run the Budget Report to determine the expected total cash outlay under the plan (optional).
3. Fund the VC Plan using the Plan Funding page.  
Fund the plan at any time during the life of the plan.
4. Distribute funds to groups in the plan using the Group Funding Allocation page (for plans that use groups).  
Allocate funds to groups at the end of the payout period, when goal attainments and proration are known.

See [Chapter 9, “Funding Variable Compensation Plans and Groups,” Understanding Group Funding Allocation, page 102.](#)

### The Adjustment Factor

The Calculate Awards process calculates and applies an adjustment factor when the calculated awards exceed the funding for the plan. The purpose of the adjustment factor is to adjust each individual award in the same ratio to the calculated award as the ratio of group/plan funding to the total value of calculated awards for the group/plan. For example, if the funding for the group or plan is 10 percent less than the total calculated awards for the group or plan, the adjustment factor would reduce the individual's calculated award by 10 percent.

The process applies the adjustment factor to the adjustable portion of each individual's award. The adjustable portion of an award is the calculated award amount minus the minimum payout amount that you (optionally) established for the group or plan. The system subtracts the minimum award value when calculating and applying the adjustment factor because the minimum is not considered adjustable.

The system calculates the adjustment factor using this formula:

|                                            |   |                                               |
|--------------------------------------------|---|-----------------------------------------------|
| (total group or plan<br>available funds)   | – | (total group or plan<br>minimum payout value) |
| (total group or plan<br>calculated awards) | – | (total group or plan<br>minimum payout value) |

Adjustment factor formula

That is, the actual funded amount for each group or plan less the sum of the minimum awards for that group or plan divided by the sum of the adjustable portions of all individual awards.

The Calculate Awards process applies the adjustment factor to the calculated award and enters the result in the Adjusted Award field on the Award Allocation page.

## Budgeting Awards

To run a budget report, use the Budget (RC\_VC\_BUDGET) component.

When determining how much funding to allocate to a plan, use the Budget Report to help you calculate the potential cash outlay for the plan. This report calculates the target payout under the plan assuming 100 percent proration.

### Page Used to Run the Budget Report

| Page Name     | Object Name   | Navigation                                                                                 | Usage                                                                                                  |
|---------------|---------------|--------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------|
| Budget Report | RUNCTL_VC_REP | Compensation, Variable<br>Compensation, Variable<br>Comp Reports, Budget,<br>Budget Report | Run the Budget Report (VC002). This report helps you calculate how much funding to allocate to a plan. |

### Running the Budget Report

Access the Budget Report page.

Budget Report

Run Control ID: 123
[Report Manager](#)
[Process Monitor](#)

Run

Report Request Parameter(s)

Variable Compensation Plan ID:  
Payout Period ID:

HVGRPGLW

Group Goal Weight

Report Type

☒ Summary  
☐ Detail

Hypothetical Attainments

Org Percent Attained:

Group Percent Attained:

Individual Percent Attained:

Budget Report page

If you use weighted goals in the plan, specify hypothetical attainment percentages on this page. If you use a goals matrix, specify a hypothetical matrix score. If you don't specify hypothetical goal attainments or a score, the system assumes 100 percent goal attainment.

**Note.** Different fields appear on this page based on the plan the goal options implemented in the plan.

|                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|----------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Org Percent Attained</b><br>(organization percent attained) | (Weighted goals) Enter the organization goal attainment percent that you want the system to use in calculating the budget amount.                                                                                                                                                                                                                                                                                                                 |
| <b>Group Percent Attained</b>                                  | (Weighted goals) Enter the group goal attainment percent that you want the system to use in calculating the budget amount.                                                                                                                                                                                                                                                                                                                        |
| <b>Individual Percent Attained</b>                             | (Weighted goals) Enter the individual goal attainment percent that you want the system to use in calculating the budget amount.                                                                                                                                                                                                                                                                                                                   |
| <b>Score</b>                                                   | (Matrix goals) Enter the goal matrix score that you want the system to use in calculating the budget amount.                                                                                                                                                                                                                                                                                                                                      |
| <b>Report Type</b>                                             | Select a detailed report or a summary report: <ul style="list-style-type: none"> <li>The detailed report lists all workers in a plan by group, the worker's projected target award value, carryover balance, minimum award, and maximum award, as well as the sum of these values for each group and the grand total for the plan.</li> <li>The summary report lists the total values for each group and the grand total for the plan.</li> </ul> |

---

## Funding Variable Compensation Plans

To set up funding for variable compensation plans, use the Plan Funding (VC\_PLAN\_FUNDING) component. This section provides an overview and discusses how to fund a variable compensation plan.

### Understanding Plan Funding

Plan funding is optional for all plan types except the five stock types.

You can allocate funds to the plan at any time in the life of the plan. After the initial allocation, you can use the Plan Funding setup page to increase or decrease funding to the plan. If the plan uses groups, you must first allocate funds to the plan before you allocate funding to the groups.

### Funding Ad Hoc Plans

Ad Hoc plans do not use the Calculate Awards process, so there is no adjustment factor for these plans. The available balance of funding appears on the Award Allocation page, and the system updates the balance as you allocate awards. The system warns you if you try to exceed the available balance. You can then allocate more funds to the plan or adjust the award to fall within the balance.

### Funding Stock Plans

Plan funding is mandatory for stock-type plans. If your organization uses Stock Administration, the stock administrator allocates shares to variable compensation by stock plan and stock ID. From that allocation, the variable compensation administrator can fund multiple stock plans that have the same stock plan and stock ID.

### See Also

*PeopleSoft Enterprise Stock Administration 9.0 PeopleBook*, “Administering Variable Compensation Grants,” Allocating Stock to the Variable Comp Stock Fund

## Page Used to Fund Variable Compensation Plans

| Page Name    | Object Name     | Navigation                                                                                                                                                                                                                           | Usage                                                                                                                                                                                                                       |
|--------------|-----------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Plan Funding | VC_PLAN_FUNDING | <ul style="list-style-type: none"><li>Set Up HRMS, Product Related, Compensation, Variable Compensation, Plan Funding, Plan Funding</li><li>Compensation, Variable Compensation, Maintain Plan, Plan Funding, Plan Funding</li></ul> | Allocate funds to a variable compensation plan. The system tracks these funds and adjusts the fund's available balance as you allocate awards. Plan funding is optional. Fund the plan at any time in the life of the plan. |

## Allocating Funds to a Variable Compensation Plan

Access the Plan Funding page.

Plan Funding

Plan ID: KCORP

Tree Plan - Corporate Compensation

Plan Funding: 170,000.00 USD

Funds Available: 90,000.00 USD

Funding Details

Customize | Find | View All |  First 1-2 of 2 Last

|   | Seq. Nbr. | Funding Date                                                                                 | Amount Funded | Currency | Last Updated User Name | Last Update Timestamp |                                                                                     |
|---|-----------|----------------------------------------------------------------------------------------------|---------------|----------|------------------------|-----------------------|-------------------------------------------------------------------------------------|
| 1 | 1         | 01/01/2000  | 80,000.00     | USD      | PS                     | 05/22/2000 5:42PM     |  |
| 2 | 2         | 06/01/2000  | 90,000.00     | USD      | PS                     | 05/22/2000 5:42PM     |  |

Plan Funding page

This table lists the fields that are visible for the different plan types:

| Monetary Plans         | Non-monetary Plans     | Stock Plans              |
|------------------------|------------------------|--------------------------|
| VC Plan ID             | VC Plan ID             | VC Plan ID               |
| Plan Funding           | Plan Funding (Units)   | Shares Available to Plan |
| Funds Available        | Plan Balance           | Plan Balance             |
| Funding Date           | Funding Date           | Funding Date             |
| Amount Funded          | Funding Units          | Funding Units            |
| Currency               | Last Updated User Name | Last Updated User Name   |
| Last Updated User Name | Last Update Timestamp  | Last Update Timestamp    |
| Last Update Timestamp  |                        |                          |

### Plan Funding

(Monetary plans) The sum of all funding amounts for the plan.

The system recalculates the Plan Funding amount each time you add or change an amount in the Amount Funded column.

### Plan Funding (Units)

(Non-monetary plans) The sum of all funding units for the plan.

The system recalculates the Plan Funding (Units) amount each time that you add or change an amount in the Funding Units column.

### Funds Available

(Monetary plans)

For plans without groups: The amount of funds remaining for distribution that have not been allocated to awards, which is recalculated each time you access the page.

|                                    |                                                                                                                                                                                                                                                                                                                                     |
|------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    | For plans with groups: The amount of Plan Funding minus the amount of funding that has been allocated to the top group.                                                                                                                                                                                                             |
| <b>Shares Available to Plan</b>    | (Stock-type plans) The sum of all the shares allocated from Stock Administration to Variable Compensation for the stock plan and stock ID, minus any shares funded to other plans to date.                                                                                                                                          |
| <b>Plan Balance</b>                | (Non-monetary and stock-type plans)<br><br>For plans without groups: The total of Funding Units allocated to this plan ID minus any awards allocated from the plan.<br><br>For plans with groups: The total of Funding Units allocated to this plan ID minus the number of funding units that have been allocated to the top group. |
| <b>Funding Details</b>             |                                                                                                                                                                                                                                                                                                                                     |
| <b>Seq. Nbr.</b> (sequence number) | The system sequentially numbers the rows in the grid. The default for the first row is 1.<br><br>You cannot delete a saved row.                                                                                                                                                                                                     |
| <b>Funding Date</b>                | Enter the date of the funding that you are allocating to the plan. Today's date is the system default.                                                                                                                                                                                                                              |
| <b>Amount Funded</b>               | (Monetary plans) Enter the amount of funding that you want to add to the plan. Enter a negative amount if you want to decrease the plan funding.                                                                                                                                                                                    |
| <b>Funding Units</b>               | (Non-monetary or stock-type plans) Enter the number of units that you want to add to the plan. Enter a negative amount if you want to decrease the plan funding.<br><br>Stock funding units cannot exceed the value in the Shares Available to Plan field.                                                                          |

---

## Understanding Group Funding Allocation

This section discusses:

- Top down funding.
- Managers and approvers.
- Summary of group funding procedures.
- Example of group funding allocations.

### Top Down Funding

Funding groups is a top-down process. You first fund the highest group on the tree, which includes all groups in the plan. You then gradually divide the initial plan funding as you fund groups at intermediate levels. The system uses the tree hierarchy to check that funding at lower levels does not exceed the allocations at the upper levels of the hierarchy.

If you allocate funding to plans with groups, the manager and approver of a group must first calculate and then approve the awards for the manager's direct reports before allocating funding to the child groups.

Wait until the end of the payout period before you allocate funds to groups. Before you begin, enter all goal attainments and calculate eligibility for the entire payout period.

## Managers and Approvers

As a general rule, the approver of a group is the manager of the parent group. Because the approvers are the higher level managers, they are not members of the groups they approve.

Managers generally are members of the groups they manage. The security mechanism in the Group Funding Allocation pages and Award Allocation With Groups page prevents managers who are members of the group from seeing their own awards.

You must set up a user ID for each worker who is a manager or approver in PeopleSoft Security. Designate the approver and manager of each group on the Group Profile page when you set up groups in Group Build.

On the Group Tree Security page, set up security so that all approvers/managers are given access to the groups that they manage.

---

**Note.** You must set up an approver for the root group if you fund the plan, even if the plan does not specify Approve Awards as a plan business rule. That approver allocates funds to the root group and allocates the award of the root group's manager.

---

## Summary of the Group Funding Allocations Process

The procedures for allocating funds to groups on the tree vary slightly according to the group structure, how you set up manager and approver IDs, and whether the manager is a member of the group. These steps outline the generic procedures for allocating funds and calculating awards for managers and their groups down the tree.

These generic procedures assume the following:

- Approval is required under the plan business rules.
- The manager is always a member of the group.
- The approver is always the manager of the immediate parent group on the tree.

To allocate funds and awards to groups on the tree:

### Funding the Highest Group

These two steps are done just one time for each payout period.

1. The approver of the highest group runs the Determine Allocations process.
2. The approver of the highest group funds the highest group on the Group Funding Allocation page.

### Awarding the Group Manager and Funding Child Groups

These steps are repeated for each level of groups on the tree in succession.

1. The approver runs the Calculate Awards process for the group.  
This process populates the Award Allocation page.
2. The approver of the group approves the award of the group's manager on the Award Allocation page.
  - a. Modify the award if desired.
  - b. Change the Award Status to *Approved*.

3. The manager of the group receives workflow notice that he can allocate awards to his direct reports and subgroups.
4. The manager of the group allocates and recommends awards for direct reports on the Award Allocation page.
5. The approver receives workflow notice that he can approve the awards for the group manager's direct reports.
6. The approver approves awards of the group manager's direct reports.
7. The manager allocates funds to child groups on the Group Funding Allocation page.
8. The approvers or managers of the child groups receive a workflow notice.
  - For each subgroup that includes the managers as group members (as indicated in this example), the approver gets a workflow message saying that he should run the Calc Awards process for that group and subsequently approve the manager's award. Because we assumed in this example that the manager of a group is the approver of the subgroups, the person who allocated funds to the subgroups is the same as the one who gets this workflow message.
  - For each subgroup that does not include the manager as group member, the manager gets a workflow message that he should run the Calc Awards process, recommend the awards of the direct reports, and fund the subgroups.
9. Repeat steps 3 through 8 for each group moving down the tree.

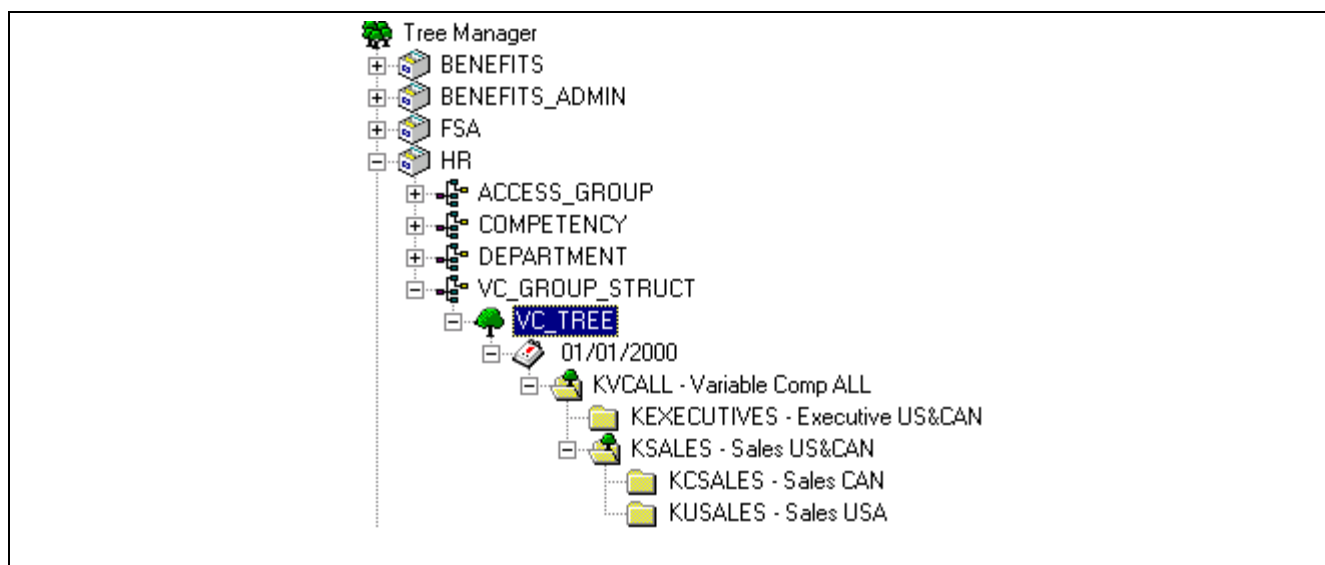
Awards are automatically submitted for payout or distribution by group when all awards in the group have a status of *Approved* (or *Cancelled*).

## Example of Group Funding Allocations

The preceding section outlined the generic procedures for allocating funds and calculating awards for groups and their managers down the tree. This section provides a sample group tree and outlines the procedures for distributing funding and allocating awards for groups in the tree.

### Sample Group Tree

This example illustrates a tree named VC Tree.



VC Tree example

## Deleting Duplicate Membership

Because of the way hierarchical groups are set up, most workers are members of multiple groups. For example, a member of the Sales Canada group, KCSALES, is also a member of the Sales group, KSALES, and therefore, is a member of the overall group, KVCALL. During the Determine Eligibility/Proration process, the Delete Duplicates step removes workers from all intermediate levels and leaves them only as members of the lowest level group to which they belong. It is in this lowest level group that their awards are determined.

This table displays all group members in the sample tree hierarchy according to the initial group definition in group build. At each level, the members listed in italics remain as members of the group; members not in italics are deleted as duplicates. The table also names the approver and manager of each group.

| Top Group Level 0                           | Group Members and Subgroups on Level 1 | Group Members and Subgroups on Level 2 | Group Members |
|---------------------------------------------|----------------------------------------|----------------------------------------|---------------|
| KVCALL<br>Approver KU0002<br>Manager KU0003 |                                        |                                        |               |
|                                             | <i>KU0003</i>                          |                                        |               |
|                                             | <i>KU0007</i>                          |                                        |               |
|                                             | KC0002                                 |                                        |               |
|                                             | KC0005                                 |                                        |               |
|                                             | KC0013                                 |                                        |               |
|                                             | KC0008                                 |                                        |               |
|                                             | KC0022                                 |                                        |               |
|                                             | KC0027                                 |                                        |               |
|                                             | KU0051                                 |                                        |               |
|                                             | KU0064                                 |                                        |               |
|                                             | KU0082                                 |                                        |               |

| Top Group Level 0 | Group Members and Subgroups on Level 1           | Group Members and Subgroups on Level 2       | Group Members |
|-------------------|--------------------------------------------------|----------------------------------------------|---------------|
|                   | KEXECUTIVES<br>Approver KU0003<br>Manager KC0002 |                                              |               |
|                   |                                                  | KC0002                                       |               |
|                   |                                                  | KC0005                                       |               |
|                   | KSALES<br>Approver KU0003<br>Manager KC0013      |                                              |               |
|                   |                                                  | KC0013                                       |               |
|                   |                                                  | KU0082                                       |               |
|                   |                                                  | KC0008                                       |               |
|                   |                                                  | KC0022                                       |               |
|                   |                                                  | KC0027                                       |               |
|                   |                                                  | KU0051                                       |               |
|                   |                                                  | KU0064                                       |               |
|                   |                                                  | KCSALES<br>Approver KC0013<br>Manager KC0008 |               |
|                   |                                                  |                                              | KC0008        |
|                   |                                                  |                                              | KC0022        |
|                   |                                                  |                                              | KC0027        |

| Top Group Level 0 | Group Members and Subgroups on Level 1 | Group Members and Subgroups on Level 2                            | Group Members |
|-------------------|----------------------------------------|-------------------------------------------------------------------|---------------|
|                   |                                        | KUSALES<br>Approver KC0013<br>Manager KC0008 (not a group member) |               |
|                   |                                        |                                                                   | <i>KU0051</i> |
|                   |                                        |                                                                   | <i>KU0064</i> |

### Identifying Managers and Approvers

Because the approvers in this example are the higher level managers, they are not members of the groups they approve.

Managers generally are members of the groups they manage. In this example, the group KUSALES is an exception because it is managed by KC0008, who manages KCSALES. KC0008 is a member of KCSALES but not of KUSALES.

In this example, the user ID is identical to the employee ID.

### Steps for Allocating Funds

The VC administrator first allocates funds to the overall plan using the Plan Funding page. After that, the process proceeds as follows:

1. Fund and award KVCALL group members:
  - a. User KU0002 runs the Determine Allocations process using the Determine Allocation Process page.
  - b. User KU0002 (approver of KVCALL) allocates funds to the top group KVCALL on the Group Funding Allocation - Fund Plan page.
  - c. User KU0002 runs the Calculate Awards process for KVCALL using the Calculate Awards by Group Process page.
  - d. User KU0002 modifies and approves the award for KU0003, manager of KVCALL using the Award Allocation With Groups page.  
Approval for the manager must always be manual in the Award Allocation With Groups page.
  - e. User KU0003 (manager of KVCALL) modifies the awards for his direct reports (KU0007) and sets them to Recommended status using the Award Allocation With Groups page.
  - f. User KU0002 (approver for KVCALL) approves the award for KU0007.  
Manually approve the award using the Award Allocation With Groups page or automate the approval using the Approve Awards by Group process.  
When the awards for KVCALL are approved, the system submits them for payout or distribution.
2. Fund and award KEXECUTIVES and KSALES group members:  
(KSALES steps f. and g. can be done in parallel to KEXECUTIVES steps d. and e.)

- a. User KU0003 (manager of KVCALL) allocates funds to KEXECUTIVES and KSALES using the Group Funding Allocation page.
- b. User KU0003 runs the Calculate Awards process for KEXECUTIVES and KSALES using the Calculate Awards by Group Process page.
- c. User KU0003 modifies and approves the awards for KC0002 (manager of KEXECUTIVES) and KC0013 (manager of KSALES) using the Award Allocation With Groups page.
- d. User KC0002 (manager of KEXECUTIVES) modifies the awards for his direct reports (KU0005) and sets them to Recommended status using the Award Allocation With Groups page.
- e. User KU0003 (approver for KEXECUTIVES) approves the awards for KU0005.

Manually approve the awards using the Award Allocation With Groups page or automate the approval using the Approve Awards by Group process.

When the awards for KEXECUTIVES are approved, the system submits them for payout or distribution.

- f. User KC0013 (manager of KSALES) modifies the awards for his direct reports (KU0082) and sets them to Recommended status using the Award Allocation With Groups page.
- g. User KU0003 (approver for KSALES) approves the award for KU0082.

Manually approve the award using the Award Allocation With Groups page or automate the approval using the Approve Awards by Group process.

When the awards for KSALES are approved, the system submits them for payout or distribution.

### 3. Fund and award KCSALES and KUSALES group members:

(KUSALES steps f and g can be done in parallel to KCSALES steps d. and e.)

- a. User KC0013 (manager of KSALES and approver for both KCSALES and KUSALES) allocates funds to KCSALES and KUSALES using the Group Funding Allocation page.
- b. User KC0013 runs the Calculate Awards process for KCSALES and KUSALES using the Calculate Awards by Group Process page.
- c. User KC0013 modifies and approves the awards for KC0008 (manager of both KCSALES and KUSALES) using the Award Allocation With Groups page.
- d. User KC0008 (manager of KCSALES) modifies the awards for her direct reports (KC0022 and KC0027) and sets them to Recommended status using the Award Allocation With Groups page.
- e. User KC0013 (approver for KCSALES) approves the awards for KC0022 and KC0027.

Manually approve the awards using the Award Allocation With Groups page or automate the approval using the Approve Awards by Group process.

When the awards for KCSALES are approved, the system submits them for payout or distribution.

- f. User KC0008 (manager of KUSALES) modifies the awards for her direct reports (KU0051 and KU0064) and sets them to Recommended status using the Award Allocation With Groups page.
- g. User KC0013 (approver for KUSALES) approves the awards for KU0051 and KU0064.

Manually approve the awards using the Award Allocation With Groups page or automate the approval using the Approve Awards by Group process.

When the awards for KUSALES are approved, the system submits them for payout or distribution.

## See Also

Chapter 10, “Calculating Allocations and Awards,” page 117

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## Allocating Funds to Groups

This section provides an overview of page access and discusses how to:

- Distribute plan funding among groups.
- Allocate funds for the payout period.

### Understanding Access to the Group Funding Allocation Page

The approver of the highest group on the tree must enter the Group Funding Allocation page first, click the Fund Plan button, and fund the plan from the Fund Plan page. Until the approver has funded the plan in this way, no one else can access the Group Funding Allocation page.

At each level of groups on the tree, the group manager's access to his or her group on this page is restricted as follows. Workflow notifies managers when they can access the page for their groups.

- If the plan requires award approval, the manager's Award Status on the Award Allocation page must be set to *Approved* or the award must have been submitted already.
- If the plan does not require award approval and the manager is a member of the group, the manager's Award Status on the Award Allocation page must be set to *Ready to Submit* or the award must have been submitted already.
- If the plan does not require award approval and the manager is not a member of the group, there is no restriction to a manager's access to his or her group.

## Pages Used to Allocate Funds to Groups

| Page Name                            | Object Name      | Navigation                                                                                               | Usage                                                                                                                                                                                                                                                                                      |
|--------------------------------------|------------------|----------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Group Funding Allocation             | VC_GRP_ALLOC     | Compensation, Variable Compensation, Calculate Awards, Allocate Group Funding, Group Funding Allocation  | Distribute the plan funding among the groups on the tree.                                                                                                                                                                                                                                  |
| Group Funding Allocation - Fund Plan | VC_GRP_ALLOC_SEC | Click the Fund Plan link on the Group Funding Allocation page.                                           | Allocate funds out of the plan's general funding to the plan for one specific payout period. This page is used by the person who is the authorized approver of the highest group in the plan.                                                                                              |
| Funding Allocations Report           | RUNCTL_VC_REP    | Compensation, Variable Compensation, Variable Comp Reports, Funds Allocations, Funding Allocation Report | Run the Funding Allocations report (VC006).<br><br>After you allocate funds to groups, use the optional Funding Allocations report to review and evaluate the distribution of funds to all of the groups in the plan. The report lists all data as summary information at the group level. |

## Distributing the Plan Funding Among Groups

Access the Group Funding Allocation page.

Group Funding Allocation

Variable Compensation

KCORP

Tree Plan - Corporate Compensation

Plan ID:

Period ID: Q1

Group ID: KVCALL

Variable Comp ALL

Left | Right

Variable Comp ALL

Executive US&CAN

Sales US&CAN

Sales CAN

Sales USA

Orig Allocation:

75000.00

Balance:

37000.00

Reserves:

0.00

Number of Employees:

12

Group(s)

Find | View All

First 1 of 3 Last

Group ID: KEXECUTIVES

Executive US&CAN

Group

Target Amt:

12376.00

Calc Award:

11955.22

Manager

Target Amt:

10500.00

Calc Award:

10143.00

Nbr Empl:

2

Orig Allocation:

22000.00

Balance:

12000.00

Reserves:

0.00

Performance Factor

PF

Weight

Net PF

Org PF:

0.9900

40.00

0.3960

Grp PF:

0.8500

20.00

0.1700

Ind PF:

1.0000

40.00

0.400

Net PF:

0.9660

Amount:

Group Funding Allocation page

## Using the Tree View

When you access the page, the tree display is collapsed; only the root node is visible. Expand or collapse nodes on the tree by clicking the node symbol. To load a node into the right pane of the page, click the name of the node. The system loads that node into the top portion of the page (parent group) and its child groups into the bottom portion. Within the tree display, the group names to which you have security access appear as links. The other groups appear as passive labels.

### Group ID

The system displays the ID that you entered to access the page.

### Fund Plan

This link is available when the authorized approver of the highest group enters the page using the highest Group ID. The approver clicks this link to access the Fund Plan page to enter the funding amount for the plan payout period.

### Orig Allocation (original allocation)

The total amount of funding for the parent group (the group ID that you entered when you accessed the page), less the approved award for the manager.

### Balance

The unallocated balance of the original allocation.

The system decreases the amount in this field when the manager enters a positive funding amount for child groups in the Amount field. The amount is also decreased during the group funding allocations procedure when awards are allocated and approved for group members who are the direct reports to the manager.

### Reserves

The balance of funding from previous periods that is still available for allocation to the group.

### Number of Employees

The sum of all workers in child groups and subgroups of the (parent) group ID that you entered to access the page.

If the manager is a member of the group, one is subtracted.

### Group ID

Select the record of the child group for which you want to allocate funds. The description of the group appears.

### Group

The Target Amt and Calc Award fields apply to the child group with the exclusion of the group's manager if he or she is a member of the group.

#### Target Amt (group target amount)

The Target Value for the child group less the manager's target value. The Determine Allocations process calculates the target value.

For plans using matrix goals, the target amount contains the payout computed for all workers of the group assuming goal attainments equal to the performance value associated with the target performance level on the matrix.

#### Calc Award (group calculated award)

The child group's target value (less the manager's target value) multiplied by the net performance factor.

For plans using matrix goals, this field contains the sum of the payouts computed for the actual goal attainments.

### Manager

The Target Amt and Calc Award fields apply to the manager of the child group if he or she is a member of the group. When the manager enters the page, this information is not visible.

#### Target Amt (manager's target amount)

The Target Value for the manager, as calculated by the Determine Allocations process.

#### Calc Award (manager's calculated award)

The manager's target value multiplied by the net performance factor.

### Performance Factor

If the plan uses weighted goals, this page shows performance factor calculations at the organization, group, and individual levels. It calculates the group and organization performance factors based on the goal attainments that you entered at those levels. It assumes 100 percent attainment of individual goals.

The performance factor fields in this section apply to the child group whose ID you selected.

These fields are hidden if the plan uses no goals or matrix goals.

#### PF (performance factor)

This column represents the goal attainment percents multiplied by the weighting percents of the goals at each level.

#### Weight

This column represents the plan goal weights that you assigned to each level of goals on the Plan Definition page.

#### Net PF (net performance factor)

This column is the performance factor calculated by multiplying the other two columns. The end result is that the net performance factor for each goal level is the sum of the (goal attainment percents x the weighting percents of each goal) x the plan goal weight for the level.

#### Org PF (organization performance factor)

The child group's organization performance factor calculation.

|                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
|-----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Grp PF</b> (group performance factor)      | The child group's group performance factor calculation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Ind PF</b> (individual performance factor) | The child group's individual performance factor. It assumes the attainment is 100 percent.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Net PF</b> (net performance factor)        | The sum of the Net PF at all three levels.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Nbr Empl:</b> (number of employees)        | The number of workers in the child group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>Orig Allocation</b> (original allocation)  | <p>The total amount that you enter in the Amount field to fund the child group ID for the period ID.</p> <p>The system displays 0 until the Amount field is populated.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>Balance</b>                                | <p>The unallocated balance of the original allocation.</p> <p>The system decreases the amount in this field after you allocate and approve the award for the manager or any other member (direct report) of the group. The system also changes the amount in this field when you adjust the allocation by entering a positive or negative funding amount for the child group in the Amount field.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Reserves</b>                               | The balance of funding from previous periods that is still available for allocation to the child group.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>Amount</b>                                 | <p>Enter a positive or negative amount of funding for the child group, including the manager. In determining this amount, consider the following:</p> <ul style="list-style-type: none"> <li>• How much you want to award to your direct report (the manager of the child group).</li> <li>• How much you want to provide to your direct report to be distributed among his or her group and child groups.</li> </ul> <p>The amount that you enter should be the sum of these two considerations.</p> <p>Enter an amount that is equal to, greater than, or less than the amount in the Calc Award field.</p> <p>If you enter a positive amount, the system updates these fields:</p> <ul style="list-style-type: none"> <li>• Increases the child group's Original Allocation and Balance.</li> <li>• Decreases the parent group's Balance.</li> </ul> <p>The system does not enable you to enter an amount that is greater than the sum of the parent group's Balance. and Reserve.</p> <p>Use the Amount field to adjust an amount that you have allocated. For example, if you allocated \$5,000 to a group but now want to reduce the funding by \$500, you can enter -500 in the Amount field. If you enter a negative Amount, the system updates these fields:</p> <ul style="list-style-type: none"> <li>• Decreases the child group's Original Allocation and Balance.</li> <li>• Increases the parent group's Balance.</li> </ul> <p>If you enter a negative amount that exceeds the amount in the child group's Balance, the system updates these fields:</p> |

- Decreases the amount in the child group's Balance until the balance is 0.
- Decreases the child group's Orig Allocation amount equally to the amount of decrease in the Balance.
- Decreases the remaining amount from the child group's Reserves.
- Increases the parent group's Balance.

The parent Reserve is not affected by entering a negative value in the Amount field.

Once you reduce the funds from your child group's Reserve, you cannot put them back. For example, assume that the parent balance is 0, the child's original allocation, balance, and reserve are 400, 400, and 300, respectively, before you enter an amount. Once you enter -600 in the Amount field, both the child original allocation and the balance are 0, the child reserve is 100, and the parent balance is 600. If you enter 600 in the Amount field after that, the child original allocation and balance is 600, but the child reserve is still 100.

## Allocating Funds for the Payout Period

Access the Fund Plan page.

The screenshot shows a window titled "Fund Plan" with a table of funding allocation data. The table has two columns: the field name and its value. The fields are Target Value, Calc Award, Funds Available, Orig Allocation, Balance, and Reserves. The Balance field has an associated "Amount" input field to its right. Below the table are "OK" and "Cancel" buttons.

| Fund Plan        |                      |
|------------------|----------------------|
| Target Value:    | 107210.000000        |
| Calc Award:      | 107210.000000        |
| Funds Available: | 685580.000000        |
| Orig Allocation: | 214420.000000        |
| Balance:         | 140950.000000        |
| Reserves:        | 0.000000             |
| Amount:          | <input type="text"/> |

OK Cancel

Group Funding Allocation - Fund Plan page

### Target Value

The total of the target awards for all members, including managers, of the highest group and all of its subordinate groups.

For monetary plans, this value is in the currency of the plan. For non-monetary and stock plans, the value is in units.

### Calc Award (calculated award)

The total of the calculated awards for all members of the highest group. On this page, Calculated Award refers to the target value multiplied by the total (net) performance factor.

### Funds Available

The funds remaining for distribution that have not been allocated to awards. This is identical to the amount in the Funds Available field on the Plan Funding page.

The funds available amount is the maximum that the approver can enter in the Amount field.

|                                                 |                                                                                                                                                                                                                                                            |
|-------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Orig Allocation</b> (original allocation)    | <p>The amount that you enter in the Amount field to fund the plan for this period ID. Until you enter an amount, the original allocation is 0.</p> <p>The system increases the amount displayed here if you add additional funds in the Amount field.</p>  |
| <b>Balance</b>                                  | <p>The unallocated balance of the original funding.</p> <p>The system increases and decreases the amount in this field as you distribute awards to individuals or funds to child groups, or as you add funding in the Amount field.</p>                    |
| <b>Reserves</b>                                 | <p>The balance of funding from previous periods that is still available for allocation to the plan.</p>                                                                                                                                                    |
| <b>Performance Factor</b>                       |                                                                                                                                                                                                                                                            |
| <b>Org PF</b> (organization performance factor) | <p>The highest group's organization performance factor.</p>                                                                                                                                                                                                |
| <b>Grp PF</b> (group performance factor)        | <p>The highest group's group performance factor.</p>                                                                                                                                                                                                       |
| <b>Ind PF</b> (individual performance factor)   | <p>The highest group's individual performance factor.</p>                                                                                                                                                                                                  |
| <b>Amount</b>                                   | <p>Enter the amount that you want to fund to the plan for this payout period.</p> <p>If you want to change the funding amount, enter a positive amount in this field to increase the funding to the plan or a negative amount to decrease the funding.</p> |



## CHAPTER 10

# Calculating Allocations and Awards

This chapter provides an overview and discusses how to:

- Determine allocations.
- Calculate awards.
- View and adjust awards allocations.
- Report on awards calculations.

---

## Understanding Awards Calculation

This section discusses:

- Calculation processes.
- Terms and definitions.

### Calculation Processes

The system employs the Award Allocation page and these processes when calculating variable compensation (VC) allocations and awards:

- The Determine Allocation Application Engine process (V\_DET\_ALLOC) calculates target awards. It also calculates the performance factor for organization and group goals if weighted goals are a plan business rule.
- The Calculate Awards Application Engine process (VC\_CALWRD and VC\_CALWRD\_WG) calculates both monetary and non-monetary VC awards, including stock awards, by applying appropriate proration, performance, and adjustment factors to the target award.
- The Calculate Awards process populates the Award Allocation page, where you can view and manually adjust awards.

On this page you also set the award status, which tells the system when to submit awards for payout.

Do not use either the Determine Allocation process or the Calculate Awards process for Ad Hoc plans. Instead, go directly to the Award Allocation page and manually enter the ad hoc award for each plan member.

### Calculation Processes Without Group Funding

To calculate awards when group funding allocation is not used:

1. Enter group and organization weighted goal attainments (if applicable).
2. Run the Determine Allocation process.

3. Enter individual weighted goal attainments (if applicable).
4. Run the Calculate Awards process.
5. Review and change the award as required on the Award Allocation page.
6. Change the award status on the Award Allocation page when the award is ready for approval or submittal.

## Calculation Processes with Group Funding

If your plan uses groups and funding, allocate funding to groups in the hierarchy using the Group Funding Allocations page. At each level in the hierarchy, the manager's award must be allocated and approved before the group is funded. Managers and approvers of each group use the Calculate Awards process, the Award Allocation page, the Approve Awards process (if applicable), and the Group Funding Allocations page before the next lower level of managers can fund their groups.

## Terms and Definitions

|                                             |                                                                                                                                                                                                                                                                                                                                    |
|---------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Payout Formula</b>                       | <p>Formulas the system uses to calculate target, minimum, and maximum payouts under the plan.</p> <p>Define payout formulas on the Payout Formula setup page.</p>                                                                                                                                                                  |
| <b>Target Payout Formula</b>                | <p>The payout formula that the Determine Allocation process uses to calculate the target award.</p> <p>Depending upon how you define the plan, assign target payout formulas to plan members at the individual level, the group level, or through the matrix goal payout schedule.</p>                                             |
| <b>Minimum Payout Formula</b>               | <p>The formula the Calculate Awards process uses to determine the minimum award the plan member should receive under the plan.</p> <p>Optionally assign minimum payout formulas at the plan or group level.</p>                                                                                                                    |
| <b>Maximum Payout Formula</b>               | <p>The formula the Calculate Awards process uses to determine the maximum award the plan member should receive under the plan.</p> <p>Optionally assign maximum payout formulas at the plan or group level.</p>                                                                                                                    |
| <b>Proration Factor (or Prorate Factor)</b> | <p>A factor calculated by the Determine Eligibility/Proration process.</p> <p>This factor is based on the amount of time the worker was a member of the plan during the payout period. The Calculate Awards process multiplies the plan member's target award by the proration factor when it calculates the calculated award.</p> |
| <b>Adjustment Factor</b>                    | <p>A factor calculated and applied by the Calculate Awards process to adjust each individual award by the same ratio for funded plans when there is not enough funding to pay out the calculated awards.</p>                                                                                                                       |
| <b>Performance Factor</b>                   | <p>The factor the Calculate Awards process uses to adjust for weighted goal attainments.</p> <p>The performance factor for a given goal is the attainment percent multiplied by the weighting percent of the goal and by the weighting percent of the level.</p>                                                                   |
| <b>Target Award</b>                         | <p>The award received upon completion of 100 percent of all applicable goals, including organization, group, and individual goals.</p>                                                                                                                                                                                             |

The Determine Allocation process calculates the target award, which is the calculated value of the target payout formula without applying any proration factor, performance factor, or adjustment factor. The Calculate Awards process uses the target award to calculate the calculated award.

Target award is labeled Target Value on the Award Allocation page.

**Minimum Award**

The calculated value of the minimum payout formula assigned to the plan or group, without applying any proration factor, performance factor, or adjustment factor. The Determine Allocation process calculates the minimum award.

**Maximum Award**

The calculated value of the maximum payout formula assigned to the plan or group, without applying any proration factor, performance factor, or adjustment factor.

The Determine Allocation process calculates the maximum award.

**Target Value**

The value of the target award expressed in the currency of the variable compensation plan or in units if the plan is non-monetary.

The Determine Allocation process calculates this value and enters it in the Target Value field on the Award Allocation page.

**Calculated Award**

The target award multiplied by the performance factor (if the plan uses weighted goals) and the proration factor (if the plan is prorated) and adjusted to the minimum or maximum if appropriate.

The Calculate Awards process calculates the calculated award and enters it in the Calculated Award field on the Award Allocation page.

**Adjusted Award**

The calculated award multiplied by the adjustment factor.

The Calculate Awards process calculates the adjusted award and enters it in the Adjusted Award field and in the Actual Award field on the Award Allocation page.

**Actual Award**

The adjusted award as further changed on the Award Allocation page by manual adjustment or carryover amount.

If not changed, the actual award is equal to the adjusted award. Once approved, the actual award is the amount of currency or units approved for payout or distribution.

**Award Value**

The value of the actual award expressed in the currency of the variable compensation plan.

The Calculate Awards process applies the valuation ID and rounding rules to calculate the monetary award value of non-monetary units.

---

## Determining Allocations

This section provides an overview and discusses how to run the Determine Allocation process.

## Understanding the Determine Allocation Process

Run the Determine Allocation process prior to running the Calculate Awards process. The system uses the information calculated by the Determine Allocation process when it calculates awards, when it calculates group funding allocations, and when it projects target awards for Total Compensation (TC) reporting.

### Determining Allocations for Variable Compensation

When you run the Determine Allocation process from the VC menu, the process calculates this data:

- The target award for each plan member, without making any adjustments for proration, performance, or funding.
- The minimum and maximum awards for each plan member, if specified in the plan, without making any adjustments for proration, performance, or funding.
- The organization attainment factor, if the plan uses organization weighted goals.
- The group attainment factor for each group, if the plan uses groups and group weighted goals.
- The sum of target awards for each group in the plan if the plan uses groups.

If the plan uses funding, it enters these payouts on the Group Funding Allocation page.

- The sum of minimum awards (if specified in the plan) for each group in the plan, if the plan uses groups.
- The sum of maximum awards (if specified in the plan) for each group in the plan, if the plan uses groups.

### Determining Allocations for Total Compensation Reporting

The Human Resources Total Compensation (TC) Extract process uses the Determine Allocation process when you extract variable compensation (VC) data to the TC data warehouse. When run from the Reporting TC Extract process, the Determine Allocation process does the following:

- Determines the applicable VC period IDs for the date range specified on the TC Extract process run control page.
- Collects all actual awards for the VC plan members covered by the TC plan ID and timeframe.
- If specified on the TC Extract run control page, calculates the target awards where no actual award exists for the VC plan members covered by the TC plan ID and timeframe.
- Applies valuation to non-stock, non-monetary awards using the valuation ID defined in the VC plan definition.

---

**Note.** The Total Compensation Extract from the Variable Compensation business process does not extract any data for stock-type plans.

---

### See Also

[Chapter 9, “Funding Variable Compensation Plans and Groups,” Understanding Group Funding Allocation, page 102](#)

*PeopleSoft Enterprise Human Resources 9.0 PeopleBook: Report Total Compensation*

## Page Used to Determine Allocations

| Page Name            | Object Name       | Navigation                                                                  | Usage                                                                                                                                                              |
|----------------------|-------------------|-----------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Determine Allocation | RUNCTL_VC_DET_ALL | Compensation, Variable Compensation, Calculate Awards, Determine Allocation | Run the Determine Allocation process, which calculates 100 percent variable compensation payouts, as well as performance factors for organization and group goals. |

## Running the Determine Allocation Process

Access the Determine Allocation page.

**Determine Allocation**

Run Control ID: 123 [Report Manager](#) [Process Monitor](#) **Run**

**Process Request Parameters**

Plan ID:

Period ID:

Rate Type:

Determine Allocation page

### Rate Type

Select the exchange rate type that you want the system to use when converting target awards into the currency of the plan.

Values are *Commercial Rate*, *Financial Rate*, *Floating Rate*, *Free Market Rate*, *Official Rate*, and *Spot Market Rate*.

## Calculating Awards

The Calculate Awards process calculates both monetary and non-monetary variable compensation (VC) awards, including stock awards. It enters the results of its calculations on the Award Allocation page. The award calculation can be simple or complex, depending on the plan business rules.

### Values Used by the Calculate Awards Process

The Calculate Awards process uses these values:

- Target, minimum, and maximum values computed by the Determine Allocation process.

- Group and organization performance factors computed by the Determine Allocation process.
- Proration factor computed by the Determine Eligibility/Proration process.
- Funding amounts entered in the Plan Funding and Group Funding Allocations pages.

### Calculations Performed by the Calculate Awards Process

The Calculate Awards process:

- Determines the performance factor if the plan uses weighted goals.
- Calculates the individual performance factor, if appropriate.
- Sums the performance factors from all goal levels to determine the performance factor to use in calculating the award.

The Calculate Awards process then:

1. Calculates one of these formulas:

| Business Rules               | Formula                                                         |
|------------------------------|-----------------------------------------------------------------|
| No proration or goals        | Target Value                                                    |
| Proration                    | Target Value x Proration Factor                                 |
| Weighted goals               | Target Value x Performance Factor                               |
| Weighted goals and proration | Target Value x Proration Factor x Performance Factor            |
| Matrix goals                 | Value of the payout from the Payout Schedule                    |
| Matrix goals and proration   | Value of the payout from the Payout Schedule x Proration Factor |

2. Calculates the Calculated Award by comparing the value calculated in the previous step to the maximum award and minimum award, if specified in the plan.
  - If the plan uses proration and the group member's proration factor is less than one, the system does not perform this step.
  - If the award is greater than the maximum, the process sets the calculated award at the maximum.
  - If the award is less than the minimum, the process sets the calculated award at the minimum.
3. Calculates the funds available for funded plans and computes the adjustment factor, if appropriate.
4. Calculates the Adjusted Award by applying the adjustment factor to the calculated award.
5. Proceeds according to the plan type:
  - Monetary plans: Calculates the Award Amount and Award Value by applying the VC rounding rule to the adjusted award.

- Non-Monetary plans: The Adjusted Award is stored as the award unit. The process calculates the Award Value by applying valuation and VC rounding rules to the award unit.
  - Stock-type plans: Calculates the award unit by applying stock rounding rules, then calculates the Award Value by applying valuation and VC rounding rules to the award unit.
6. Updates the Award table and sets the Award Status to Init Calc (initial calculated).
- The system populates the Award Allocation page from the Award table. Modify and approve awards on the Award Allocation page.

---

**Note.** If the plan uses group funding, managers must calculate the awards for their direct reports, and the approver must approve them, before they can allocate funding to the child groups.

---

### See Also

Chapter 9, “Funding Variable Compensation Plans and Groups,” Understanding Group Funding Allocation, page 102

## Pages Used to Calculate Awards

| Page Name                 | Object Name        | Navigation                                                                                           | Usage                                                                                                                                                                                                                                         |
|---------------------------|--------------------|------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Calculate Awards by Plan  | RUNCTL_VC_CALWRD_P | Compensation, Variable Compensation, Calculate Awards, Calculate by Plan, Calculate Awards by Plan   | Run the Calculate Awards process for plans that do not use groups. This process calculates awards and enters calculation data on the Award Allocation page.<br><br>Select a VC Plan ID and payout period.                                     |
| Calculate Awards by Group | RUNCTL_VC_CALWRD_G | Compensation, Variable Compensation, Calculate Awards, Calculate by Group, Calculate Awards by Group | Run the Calculate Awards process for selected groups within plans administered with groups. This process calculates awards and enters calculation data on the Award Allocation page.<br><br>Select a VC Plan ID, payout period, and group ID. |

---

## Viewing and Adjusting Award Allocations

This section provides overviews of award status and the Award Allocation pages and describes how to:

- View and adjust awards for plans without groups.
- View and adjust awards for plans with groups.
- Use the Award Allocation page for Ad Hoc Awards.

## Understanding Award Status

The system uses status codes to track awards from allocation through submittal for payout and distribution. If your organization uses Payroll for North America, Global Payroll, or Stock Administration, status codes track the awards through final payout or distribution.

The system tracks awards in these two fields on the Award Allocation pages:

|                     |                                                                                                    |
|---------------------|----------------------------------------------------------------------------------------------------|
| <b>Award Status</b> | Shows the status of the individual award within a plan or group.                                   |
| <b>Group Status</b> | Shows the status of all awards within the plan or group. The system enters all Group Status codes. |

### Definitions of Individual and Group Award Status Codes

This table provides definitions of award status codes and shows where there are differences at the individual and group levels of awards tracking:

| Status              | (Individual) Award Status                                                                                                                                                                                                                                                                 | Group (Award) Status                                                                                                                          |
|---------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|
| A (approved)        | <p>If you choose Approve Awards as a plan business rule and run the Approve Awards process, the system enters the <i>Approved</i> status for each approved award.</p> <p>If you approve awards manually, the designated approver enters the <i>Approved</i> status to approve awards.</p> | None                                                                                                                                          |
| C (canceled)        | Select this status to tell the system that you have no intention of granting this award. <i>Canceled</i> is a final status, meaning that it does not inhibit the approval and submittal processes.                                                                                        | None                                                                                                                                          |
| D (ready to submit) | If you do not choose Approve Awards as a plan business rule, select this status to tell the system that the award is final and ready for payout/distribution.                                                                                                                             | The system enters this status when all awards in the period for the plan or group are ready to be submitted for payout or stock distribution. |
| E (errored)         | The system enters this status for the award if Payroll for North America, Global Payroll, or Stock Administration cannot proceed with payout or distribution because of an error in the individual award.                                                                                 | <p>(corrections required)</p> <p>Same definition as for individual Award Status.</p>                                                          |

| Status                  | (Individual) Award Status                                                                                                                                                                              | Group (Award) Status                            |
|-------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------|
| I (initial calculation) | The Calculate Awards process enters this status when it initially populates the Award Allocation page with calculated award data.                                                                      | Same definition as for individual Award Status. |
| J (rejected)            | The system enters this status if Payroll for North America, Global Payroll, or Stock Administration rejects all of the awards for the entire plan or group due to an error at the plan or group level. | Same definition as for individual Award Status. |
| P (paid/granted)        | The system enters this status after successful payout or distribution through Payroll for North America, Global Payroll, or Stock Administration.                                                      | Same definition as for individual Award Status. |
| R (recommended)         | If you choose Approve Awards as a plan business rule, give each award the <i>Recommended</i> status when it is ready for approval.                                                                     | None                                            |
| S (submitted)           | The system enters this status when it publishes awards for payout or distribution.                                                                                                                     | Same definition as for individual Award Status. |

### Application of Individual and Group Award Status Codes

This table illustrates the steps in the awards process and the status at each level for plans that use the Approve Awards process and those that do not.

**Note.** In this table, “payroll” refers to Payroll for North America and Global Payroll; “stock” refers to Stock Administration.

| Procedure That Modifies the Status | Individual Award Status Approval | Individual Award Status No Approval | Group Status Approval | Group Status No Approval |
|------------------------------------|----------------------------------|-------------------------------------|-----------------------|--------------------------|
| Calculate Awards                   | Initial Calculation              | Initial Calculation                 | Initial Calculation   | Initial Calculation      |
| Award Allocation                   | Recommended or Canceled          | Ready to Submit or Canceled         | Ready to Submit       | Ready to Submit          |
| Approve Awards                     | Approved                         | NA                                  | Ready to Submit       | NA                       |

| Procedure That Modifies the Status               | Individual Award Status Approval | Individual Award Status No Approval | Group Status Approval | Group Status No Approval |
|--------------------------------------------------|----------------------------------|-------------------------------------|-----------------------|--------------------------|
| Publish to payroll, stock, or flat file.         | Submitted                        | Submitted                           | Submitted             | Submitted                |
| Subscribe to payroll or stock.<br>(Error)        | Error                            | Error                               | Corrections Required  | Corrections Required     |
| Subscribe to payroll or stock.<br>(Rejected)     | Rejected                         | Rejected                            | Rejected              | Rejected                 |
| Subscribe to payroll or stock.<br>(Paid/Granted) | Paid/Granted                     | Paid/Granted                        | Paid/Granted          | Paid/Granted             |

## Understanding the Award Allocation pages

After you run the Calculate Awards process, use the Award Allocation page or Award Allocation with Groups page to:

- Review, change, and finalize awards before the system submits them for payout or distribution.  
If you funded the plan, the system updates the Funds Available or Balance of funding as you change the individual awards.
- Administer carryover balances and guarantees if these are part of the plan.
- Monitor the status of each award and the award status of the group or plan as a whole.

### Some of the Changes Possible for Individual Awards

Here are some of the changes you can make to individual awards on this page:

- Change the earnings code.
- Adjust the worker's carryover balance, if you selected Carryover Awards on the Plan Business Rules page.
- Replace the Actual Award that the system calculated with the Guarantee amount, if you entered a guarantee on the Individual's Payout page.
- Modify the award by a percent that you enter in the Modifier field on this page.
- Enter an award amount of your choice in the Actual Award field.

### Entering Award Status

When you are satisfied with the award amount, enter one of these values in the Award Status field:

- If you did not select Approve Awards on the Plan Business Rules page, select the *Ready to Submit* status.

- If you selected Approve Awards on the Plan Business Rules page, select the *Recommended* status.

The approver changes the status to *Approved* either manually or by using the Approve Awards process.

The system changes the Group Status to *Ready to Submit* when all of the awards for the plan ID and payout period have either the *Canceled*, *Ready to Submit*, or *Approved* status. When the Group Status is *Ready to Submit*, the system publishes the awards for payout or distribution.

## Access Restrictions

At each level of groups on the tree, the group manager's access to his or her group on this page is restricted as follows:

- If the plan requires award approval, the manager's Award Status must be set to *Approved* or the award must have been submitted already.
- If the plan does not require award approval and the manager is a member of the group, the manager's Award Status must be set to *Ready to Submit* or the award must have been submitted already.
- If the plan does not require award approval and the manager is not a member of the group, there is no restriction to a manager's access to his or her group.

Workflow notifies managers when they can access the page for their groups.

## Pages Used to Allocate Awards

| Page Name                     | Object Name     | Navigation                                                                                                   | Usage                                                                                                                                                                                                                                                                                                     |
|-------------------------------|-----------------|--------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Award Allocation              | VC_AWD_ALLOC    | Compensation, Variable Compensation, Finalize Awards, Allocate Awards by Plan, Award Allocation              | View and change the awards calculated by the Award Allocation process or enter awards for Ad Hoc plans. Also view and change the award status of individual awards.                                                                                                                                       |
| Award Allocations with Groups | VC_AWD_ALLOC_WG | Compensation, Variable Compensation, Finalize Awards, Allocate Awards by Group, Award Allocation with Groups | View and change the awards calculated by the Award Allocations process for group members. Also view and change the award status of individual awards.<br><br>Use if you administer the plan using groups. If the plan does not use groups, the system enters the award data on the Award Allocation page. |

## Viewing and Adjusting Awards for Plans Without Groups

Access the Award Allocation page.

**Award Allocation**

**Plan ID:** HXVC07 VC Ad Hoc Spot Cash Award  
**Period ID:** 1999 **End Date:** 12/31/1999  
**Plan Funding:** 2000.00 **Available:** 1850.00 **Group Status:** Initial Calculation

**Name:**    
**EmplID:**  1 to 14 of 14     **Search**

**Sort by**  
☒ EmplID  
☐ Name

**Employee Award** Find | View All First 1 of 14 Last  
**EmplID:** HXSSADM02 Shelley Flinstone **Empl Rcd#:** 0  
**Status:** Man Elig  
**Earnings Code:** AWA  Award -- Cash **Award Date:** 12/31/1999   
**\*Award Status:**   Initial Calculation  
Manual  
**Actual Award:**  150.00  
**Award Value:** 150.00 USD

Award Allocation page (1 of 2)

| Award Detail              |             |                           |        |
|---------------------------|-------------|---------------------------|--------|
| <b>Target Value:</b>      | 25050.00    | <b>Prorate Factor:</b>    | 1.000  |
| <b>Calculated Award:</b>  | 5000.00     | <b>Org Perf Factor:</b>   | 0.9900 |
| <b>Adjustment Factor:</b> |             | <b>Group Perf Factor:</b> | 0.8500 |
| <b>Adjusted Award:</b>    | 5000.000000 | <b>Ind Perf Factor:</b>   | 1.0000 |

Award Allocation page (2 of 2)

**Note.** Depending upon the business rules you defined for the plan, different fields appear in this section.

|                             |                                                                                                                                                                                                                                                                                  |
|-----------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>End Date</b>             | The end date that you defined on the Payout Period table for the Payout Period ID that you entered.                                                                                                                                                                              |
| <b>Sent to Payroll Date</b> | The system populates this field when it publishes the awards to payroll or stock.                                                                                                                                                                                                |
| <b>Plan Funding</b>         | For funded plans, the system enters the sum of all plan funding amounts that you entered on the Plan Funding page with a date prior to the payout period End Date.<br><br>This field does not appear on the page if the plan is not funded, or if you allocated funds to groups. |
| <b>Available</b>            | For funded plans, the system displays the funds remaining for distribution that have not been allocated to awards. The system updates the Available field each time the Actual Award amount changes.                                                                             |

**Group Status**

This field does not appear on the page if the plan is not funded, or if you allocated funds to groups.

The status that applies to awards in this payout period for the entire plan or entire group (if the plan uses groups).

The Calculate Awards process enters the default value of *Initial Calculation*. If the Group Status is *Submitted*, all editable fields on the page are unavailable for entry.

The system changes the Group Status according to the status of the entire group of individual awards. Available values are:

- *I - Initial Calculation*
- *D - Ready to Submit*
- *S - Submitted*
- *E - Corrections Required*
- *J - Rejected*
- *P - Paid/Granted*

**Name EmplID (employee ID)**

When you specify a Plan ID and Payout Period ID upon entering the page, the system loads all of the plan members for whom the user has security access. Use the Name and EmplID fields to easily find and display an individual's award record in the bottom portion of the page.



Click the Refresh Search Fields? button to display the first chunk of members and to clear the search fields before entering new search parameters. The field to the left of this button tells you which rows are visible compared to the total number of rows that match the current search criteria. For example, *12 to 20 of 56* means that rows 12 to 20 are displayed out of a total of 56 rows.

**Search**

After entering new search parameters, click this button.



Click the First Item button to display the first chunk of members.



Click the Previous Item button to display the previous chunk of members.



Click the Next Item button to display the next chunk of members.



Click the Last Item button to display the last chunk of members.

**Sort by**

Choose to display the plan member records in the page in the order of *EmplID* or *Name*.

**Status**

The worker's eligibility status in the plan.

See [Chapter 6, "Processing Eligibility and Proration," Viewing and Adjusting Plan Member Eligibility, page 62](#).

**Earnings Code**

The value that you defined for the plan on the Plan Definition page appears. Select a different value to modify the code at the worker level.

|                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|-------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>GP Earnings</b>                                          | The value that you defined for the plan on the Plan Definition page appears. Select a different value to modify the code at the worker level.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Carryover Balance, Accum Carryover, Carryover Amount</b> | <p>These fields are hidden if you did not select Carryover Awards on the Plan Business Rules page or if the plan is a non-monetary plan (including stock-type plans).</p> <p>These three fields work together to help you administer carryovers for each worker in the plan.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Carryover Balance</b>                                    | The Carryover Balance that you have withheld for the worker to date under this plan appears. When you approve the worker's award, the system updates the Carryover Balance with the amount in the Accum Carryover (accumulated carryover) field for this period.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>Accum Carryover</b><br>(accumulated carryover)           | <p>The Accum Carryover field tracks the cumulative effect of the amounts that you enter in the Carryover Amount field for the worker in this payout period. For example, if you first enter \$300, and later enter \$100 in the Carryover Amount field, the Accum Carryover field shows \$400. If you later enter a negative amount of -\$150 in the Carryover Amount field, the Accum Carryover field shows \$250.</p> <p>After making several changes in the Carryover Amount, if you want to know what the worker's award would be without any adjustment in the carryover balance, add the Accum Carryover amount to the value in the Actual Award field.</p> <p>To see what the new carryover balance would be, add the Accum Carryover amount to the value in the Carryover Balance field. When you approve the worker's award, the system updates the Carryover Balance with the amount in the Accum Carryover field.</p> |
| <b>Carryover Amount</b>                                     | <p>Use the Carryover Amount field to adjust the worker's Carryover Balance. Enter a positive amount to increase the worker's carryover balance and decrease the award. Enter a negative amount to decrease the worker's carryover balance and increase the award.</p> <p>As you adjust the Carryover Amount, the system changes the amount in the Actual Award and Accum Carryover fields. The amount in the Carryover Balance field does not change until you approve the award.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>Guarantee</b>                                            | <p>If you entered a guarantee for the worker on the Individual's Payout page, the system displays that amount in the Guarantee field on this page. Manually change the Actual Award to the guarantee amount at your discretion. The system does not automatically enforce guarantees.</p> <p>This field is not visible if the plan member rule is Ad Hoc Award or Define Tree/Group.</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>Award Date</b>                                           | <p>The system enters the payout period end date as the default value. When you set the Award Status to <i>Approved</i> or <i>Ready to Submit</i> and save the page, the system sets the Award Date to the current date. If you approve awards using the Approve Awards process, the system sets the Award Date to the date that the process runs.</p> <p>Manually change the Award Date to another date, such as the period end date.</p> <p>If you try to change the <i>Approved</i> status to any other status, the system warns you that it will reset the Award Date to the period end date.</p>                                                                                                                                                                                                                                                                                                                             |

For Stock plans paid out through Stock Administration, the system changes the Award Date to the Grant Date after creating stock grants.

For plans paid out through Payroll for North America, the system changes the Award Date to the value set by the payroll system as the date of payment.

### Award Status

The status of the individual worker award.

The default value is *I* (initial calculation). Select a status from these options:

- *A - Approved*: This value is only available if Approve Awards is selected on the Plan Business Rules page. If you use the Approve Awards batch process, the system enters this value. If you manually approve awards, only the designated approver can select this value.
- *C - Canceled*: Select this value to cancel the award.
- *I - Initial Calculation*: The system enters this value as the default.
- *R - Recommended*: This value is available only if you select Approve Awards on the Plan Business Rules page.
- *D - Ready to Submit*: This value is available only if you do not select Approve Awards on the Plan Business Rules page.

### Modifier (%)

Enter a value in the modifier field to modify by the specified percentage an award that the system has calculated. Enter a value above 100 percent to increase the award; enter a value below 100 percent to decrease the award. The default is *100%*.

The system multiplies the Adjusted Award by the percent value that you enter and updates the Actual Award and the Award Value fields. It also updates funding information.

Example 1: The Adjusted Award is \$1,000 and the modifier is 75 percent. The system changes the Actual Award to \$750.00 ( $.75 \times 1000$ ).

Example 2: The Adjusted Award is \$1,000 and the modifier is 110 percent. The system changes the Actual Award to \$1,100 ( $1.10 \times 1000$ ).

After modifying an award, the system enters the Manual value in the Calculation Source field that is next to the *Modifier* field.

### Calc Source (Calculation Source)

The Calculation Source field is the unlabeled field next to the Modifier field. The system enters a value here to indicate the source of the Actual Award amount. Values are:

- *System*: The Calculate Awards process calculated the Actual Award based on the target formula and other factors.
- *Manual*: You have manually entered or changed the Actual Award. You can enter an Actual Award for Ad Hoc plans, or change the Actual Award by directly entering an amount, or use the Modifier and Carryover Amount fields.
- *System – Min*: The system substituted the minimum award because the calculated award is lower than the minimum award that you specified for the plan or group.
- *System – Max*: The system substituted the maximum award because the calculated award is higher than the maximum award that you specified for the plan or group.

|                     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Actual Award</b> | <p>The Calculate Awards process enters the adjusted award amount as the default value in the Actual Award field. The system updates the Actual Award when you enter a Carryover Amount or enter a value in the Modifier field. You can also enter a different amount directly into the Actual Award field.</p> <p>If the plan is an Ad Hoc plan, enter the worker's award directly into the Actual Award field. The system sets the Calculation Source to <i>Manual</i>.</p> <p>When you or the system enters or changes the amount in the Actual Award field, online processing automatically updates funding information.</p> |
| <b>Award Value</b>  | The system enters the monetary value of the Actual Award. It updates this Award Value as the Actual Award changes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

## Award Detail

Depending upon the business rules you defined for the plan, different fields appear in this section.

|                                                             |                                                                                                                                                                                                                                                                                                |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Target Value</b>                                         | The value of the target award as expressed in the currency of the VC plan or in units if the plan is non-monetary. The Determine Awards process calculates this value.                                                                                                                         |
| <b>Calculated Award</b>                                     | The target award multiplied by the performance factor (if the plan uses weighted goals) and the proration factor (if the plan is prorated). The Calculate Awards process calculates this value.                                                                                                |
| <b>Adjustment Factor</b>                                    | <p>The factor calculated and applied by the Calculate Awards process to adjust each individual award by the same ratio for funded plans when there is not enough funding to pay out the calculated awards.</p> <p>This field does not appear on the page if the plan does not use funding.</p> |
| <b>Adjusted Award</b>                                       | <p>The calculated awards multiplied by the adjustment factor. The Calculate Awards process calculates the Adjusted Award.</p> <p>Adjusted awards cannot be less than the minimum or more than the maximum payout.</p>                                                                          |
| <b>Original Award [Units]</b>                               | This field is for Stock type plans only. It displays the number of units in the original award, before any stock splits. Splits are reflected in the Actual Award field when the award is published to Stock for distribution.                                                                 |
| <b>Original Award Value</b>                                 | This field is for Stock type plans only. It displays the value of the original award, before any stock repricing. Repricing is reflected in the Award Value field when the award is published to Stock for distribution.                                                                       |
| <b>Prorate Factor</b>                                       | <p>A factor calculated by the Determine Eligibility/Proration process. It is based on the amount of time the worker was a member of the plan during the payout period.</p> <p>This field appears on the page only if prorated eligibility is a plan business rule.</p>                         |
| <b>Org Perf Factor</b><br>(organization performance factor) | <p>A factor determined by the organization weighted goal attainments.</p> <p>This field appears on the page only if the plan uses organization level weighted goals.</p>                                                                                                                       |
| <b>Group Perf Factor</b> (group performance factor)         | <p>A factor determined by the group weighted goal attainments.</p> <p>This field appears on the page only if the plan uses group level weighted goals.</p>                                                                                                                                     |

**Ind Perf Factor** (individual performance factor)

A factor determined by the individual weighted goal attainments.

This field appears on the page only if the plan uses individual level weighted goals.

## Viewing and Adjusting Awards for Plans with Groups

Access the Award Allocation with Groups page.

**Award Allocation with Groups**

**Plan ID:** KCORP      Tree Plan - Corporate Compensation  
**Period ID:** Q1      **End Date:** 03/31/2000  
**Group ID:** KVCALL      Variable Comp ALL      **Group Status:** Ready to Submit  
**Orig Allocation:** 75000.00      **Balance:** 37000.00      **Reserves:** 0.00  
**Name:**    
**EmplID:**       1 to 1 of 1           **Search** **Sort by**  
☒ EmplID  
☐ Name

**Employee Award**      Find | View All      First  1 of 1  Last  
**EmplID:** KU0003      Jean Parsons      **Empl Rcd#:** 0  
**Status:** Auto Elig  
**Earnings Code:**  BNS      Bonus      **Award Date:**  05/24/2000   
**\*Award Status:**  A  Approved  
**Modifier (%):**  100.00      System Max  
**Actual Award:**  5000.00  
**Award Value:** 5000.00      USD  
**▼ Award Detail**  

|                           |             |                           |        |
|---------------------------|-------------|---------------------------|--------|
| <b>Target Value:</b>      | 25050.00    | <b>Prorate Factor:</b>    | 1.000  |
| <b>Calculated Award:</b>  | 5000.00     | <b>Org Perf Factor:</b>   | 0.9900 |
| <b>Adjustment Factor:</b> |             | <b>Group Perf Factor:</b> | 0.8500 |
| <b>Adjusted Award:</b>    | 5000.000000 | <b>Ind Perf Factor:</b>   | 1.0000 |

Award Allocation with Groups page

All fields on this page are identical to the fields on the Award Allocation page, with these exceptions:

- Group ID is an additional field on the Award Allocation with Groups page.
- The Orig Allocation (original allocation), Balance, and Reserves fields appear on the Award Allocation with Groups page for plans that use group funding allocations. These fields replace the Plan Funding and Available fields that appear on the Award Allocation page.

### Group ID

The ID that you entered to access this page, along with a description of the group.

### Orig Allocation

The total amount that you funded to this group ID for this period ID.

|                 |                                                                                                                                                                        |
|-----------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Balance</b>  | The unallocated balance of the original funding. The system increases and decreases the amount in this field as you change the award allocation for each group member. |
| <b>Reserves</b> | The balance of funding from previous periods that is still available for allocation to the group.                                                                      |

## Using the Award Allocation page for Ad Hoc Awards

If the plan member rule is Ad Hoc Award, do not run the Calculate Awards process prior to entering the Award Allocation page. Instead, enter the awards directly on this page.

To enter an Ad Hoc award:

1. Select the worker from the plan members listed on the Award Allocation page.  
The members that you entered directly on the Plan Members page are available on the Award Allocation page.
2. Enter an award amount for the worker directly into the Actual Award field.
3. In the Award Status field, select *Recommended* if the plan requires approval or *Ready to Submit* if approval is not required.

For Ad Hoc Awards, these fields are visible on the page; all others are hidden:

- Earnings Code
- GP Earnings
- Award Date
- Award Status

Select *Recommended* if the plan requires approval or *Ready to Submit* if approval is not required.

- Actual Award

Enter the amount of the award.

- (calculation source)

After you enter an actual award amount, the word *Manual* appears above the Actual Award field to indicate that the award is manually entered.

- Award Value

---

## Reporting Awards Calculations

The system provides reports to help you review the results of the Calculate Awards process and review carryover balances. This section lists awards reports and discusses how to use the:

- Calculate Awards Report
- Variance Report
- Carryover Report

## Pages Used to Run the Awards Reports

| Page Name          | Object Name   | Navigation                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             | Usage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|--------------------|---------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Report name Varies | RUNCTL_VC_REP | <ul style="list-style-type: none"> <li>• Compensation, Variable Compensation, Award Reports, Calculate Awards</li> <li>• Compensation, Variable Compensation, Award Reports, Actual Awards</li> <li>• Compensation, Variable Compensation, Award Reports, Variance</li> <li>• Compensation, Variable Compensation, Award Reports, Carryovers</li> <li>• Compensation, Variable Compensation, Award Reports, Employee History</li> <li>• Compensation, Variable Compensation, Award Reports, Non Monetary Report</li> <li>• Compensation, Variable Compensation, Award Reports, Plan History</li> </ul> | <p>Use this page to run these reports:</p> <ul style="list-style-type: none"> <li>• Calculate Awards Report (VC003). Use this report to view the results of the Award Calculation process.</li> <li>• Variance Report (VC010). Use this report to view the variance between the target award and the actual award that appears on the Award Allocation page.</li> <li>• Actual Awards Report (VC001). Use this report to view the actual variable compensation awards that were received.</li> <li>• Carryover Report (VC004). Use this report to view the carryover balances.</li> <li>• Employee History Report (VC005). Use this report to view variable compensation data for workers.</li> <li>• Non Monetary Report (VC008). Use this report to view non-monetary information associated with variable compensation plans.</li> <li>• Plan History Report (VC009). Use this report to view information about the history of a variable compensation plan.</li> </ul> |

## Using the Variance Report

The detailed report lists all workers in a plan by group, the worker's target award value, actual award value, and variance between the target and actual award. It also indicates whether the award is either the minimum or maximum payout under the plan. In addition, this report shows the total target award value, actual award value, and variance for each group and the grand total for the plan.

The summary report lists the total target award value, actual award value, and variance for each group, as well as the grand totals for the plan.

## Using the Carryover Report

The detailed report lists all workers in a plan by group and their carryover balances. The summary report lists the total carryover balance for each group, as well as the totals for the plan.

## Using the Non Monetary Report

The detailed report tracks the number of units awarded under a plan and the value to workers. The report lists only awards that are beyond the status of Initial Calculation. The detailed report lists all workers in a plan by group, their target values, their calculated awards, their actual award in non-monetary units, and their actual awards as a monetary value. The summary report lists the total non-monetary units for each group, as well as the totals for the plan

# CHAPTER 11

## Managing Awards Approval and Payout

This chapter discusses how to:

- Approve and submit awards.
- Integrate with payroll applications.
- Integrate with Stock Administration.
- Report on award payout and distribution.
- View and report on variable compensation history.

---

### Approving and Submitting Awards

This section provides an overview and discusses how to:

- Approve awards by plan.
- Approve awards by group.

### Understanding Approval and Submittal of Awards

When you're satisfied with the awards on the Award Allocation page, finalize them for payout or distribution using an automated approval process, manual approval, or no approval. After you finalize all of the awards in a plan or group for a payout period, the system automatically submits them for payout or distribution.

When you define the variable compensation (VC) plan, decide whether to finalize awards for processing with or without approval. If you select award approval, you can run the Approve Awards batch process or approve awards individually.

### Finalizing and Submitting Awards Without Approval

To finalize and submit awards without approval:

1. Clear the Approve Awards check box on the VC Plan - Plan Business Rules page.
2. Manually set the Award Status of each award to *Ready to Submit* on the Award Allocation page when you are satisfied with the award amount.

When all individual awards in the period for the plan or group have the *Ready to Submit* or *Canceled* Award Status, the system changes the Group Status on the Award Allocation page to *Ready to Submit*.

The system automatically submits awards for payout or distribution when the Group Status is *Ready to Submit* and changes the status to *Submitted*.

## Approving Awards Manually

To approve awards manually:

1. Select the Approve Awards check box on the VC Plan - Plan Business Rules page.
  - If the plan member rule is Ad Hoc Awards or Empl VC Record, also identify the approver ID on this page.
  - For plans that use groups, establish the approver for each group when you set up VC Tree security.
2. The manager manually sets the Award Status of each award to *Recommended* on the Award Allocation page when satisfied with the award amount.

When all awards have the *Recommended* status, the system sends a workflow notifying the authorized approver.

3. The approver changes the Award Status to *Approved* for each award that he or she wants to approve. Only the authorized approver can enter the *Approved* status.

- If the plan does not use groups, specify the approver ID on the Plan Definition page.
- If the plan uses groups, define the approver ID when you define the group on the Group Definition page.

When all individual awards for the period under the plan or group have the *Approved* or *Canceled* Award Status, the system changes the Group Status to *Ready to Submit*. When the Group Status is *Ready to Submit*, the system automatically submits awards for payout or distribution and changes the status to *Submitted*.

## Approving Awards in a Batch Process

To approve awards in a batch process:

1. Select the Approve Awards check box on the VC Plan - Plan Business Rules page.
  - If the plan member rule is Ad Hoc Awards or Empl VC Record, also identify the approver ID on this page.
  - For plans that use groups, establish the approver for each group when you set up VC Tree security.
2. When satisfied with the award amount, the manager manually sets the Award Status of each award to *Recommended* on the Award Allocation page.

When all awards have the *Recommended* status, the system sends a workflow notifying the authorized approver to run the approval process.

3. When the Award Status on the Award Allocation page is *Recommended*, the approver runs the Approve Awards process or the Approve Awards with Groups process.

Only the authorized approver can run the process for the plan or group.

- If the plan does not use groups, specify the approver ID on the Plan Definition page.

- If the plan uses groups, define the approver ID when you define the group on the Group Definition page.

The process changes the Award Status of all approved awards from *Recommended* to *Submitted* and then to *Approved*.

When all individual awards for the period under the plan or group have the *Approved* or *Canceled* Award Status, the system changes the Group Status to *Ready to Submit*.

When the Group Status is *Ready to Submit*, the system automatically submits awards for payout or distribution and changes the status to *Submitted*.

## See Also

Chapter 10, “Calculating Allocations and Awards,” Viewing and Adjusting Award Allocations, page 123

## Pages Used to Approve Awards in Batch Process

| Page Name               | Object Name        | Navigation                                                                                   | Usage                                                                                                                                                                             |
|-------------------------|--------------------|----------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Approve Awards by Plan  | VC_RUNCTL_APPWRD_P | Compensation, Variable Compensation, Finalize Awards, Approve Awards by Plan, Approve Award  | Run the batch approval process when the plan member rule is Ad Hoc Awards or Empl VC Record. Also use the process to remove approved status from approved awards.                 |
| Approve Awards by Group | VC_RUNCTL_APPWRD_G | Compensation, Variable Compensation, Finalize Awards, Approve Awards by Group, Approve Award | Run the batch approval process when the plan member rule is Empl VC Record with groups or Define Tree/Group. Also use the process to remove approved status from approved awards. |

## Approving Awards by Plan

Access the Approve Award (by plan) page.

Approve Award (by plan) page

### Plan ID

The only available values are the VC plans for which this user ID is the designated approver on the Plan Business Rules page.

### Approve

Select to approve all awards that have the *Recommended* status under the plan for the corresponding payout period. Clear this field to remove approval if

you already ran the approval process and now want to change it. The system selects Approve by default.

## Approving Awards by Group

Access the Approve Award (by group) page.

| Approve Award      |           |                                    |           |                                 |                                     |
|--------------------|-----------|------------------------------------|-----------|---------------------------------|-------------------------------------|
| Run Control ID: 1  |           | <a href="#">Report Manager</a>     |           | <a href="#">Process Monitor</a> | <a href="#">Run</a>                 |
| Plan/Group Details |           |                                    |           |                                 |                                     |
| Plan ID            | Plan Name | Tree Plan - Corporate Compensation | Period ID | Group ID                        | Approve                             |
| 1                  | KCORP     | Tree Plan - Corporate Compensation | Q1        | KSALES                          | <input checked="" type="checkbox"/> |

Approve Award (by group) page

This page is identical to the Approve Awards (by plan) page with the addition of the Group ID field.

**Plan ID** The only available values are the VC plans for which this user ID has security access.

## Integrating with Payroll Applications

This section provides an overview of integration with payroll applications and discusses how to:

- Process the integration with Payroll for North America and Global Payroll.
- Set up integration points with payroll applications.

### Understanding Integration with Payroll Applications

When the Group Status field on the Award Allocation page is *D* (ready to submit), the Variable Compensation system submits monetary and non-stock, non-monetary awards for payout.

#### Payroll for North America

If Payroll for North America is installed on your database, the system publishes the awards directly to Payroll for North America for payout.

#### Global Payroll

If Global Payroll is installed on your database, the system publishes the awards directly to Global Payroll for payout.

#### Payroll Interface

If Payroll Interface is installed on your database, the system automatically generates a flat file containing the award data, which your organization can use as input into your Payroll Interface system.

## Multiple Payroll Systems

If you have multiple payroll systems installed on your database, the system refers to the pay system indicator on the worker's Job record to determine how to submit the award. If the worker is paid through Payroll for North America or Global Payroll, the system publishes the award through Integration Broker. If the worker is paid through Payroll Interface, the system creates a flat file for submittal.

## Integrating with Payroll for North America and Global Payroll

Integration between Variable Compensation and these two payroll applications is automated through PeopleSoft Integration Broker. The variable compensation administrator does not run any processes for this integration. If awards are returned due to error, the VC administrator must resolve the reason for the error. The VC administrator can also request that awards be rejected if they are submitted in error.

These steps summarize the award payout integration between variable compensation (VC) and the Payroll for North America and Global Payroll applications.

---

**Note.** In this summary, "payroll" refers to both the Payroll for North America and Global Payroll applications unless otherwise specified.

---

1. VC publishes awards.

When the status of all individual awards on the Award Allocation page is *D*, *S*, or *C*, the system changes the group status to *D* and publishes a message that inserts the awards into a publishing staging table. The Group Status and individual Award Status on the Award Allocation page are changed to *S* (submitted).

2. Payroll subscribes to the message.

Subscription inserts the awards into a subscribing staging table.

3. Payroll validates or rejects the VC data.

- Validated awards:

If VC data are valid, payroll proceeds with processing.

- Erred or rejected awards:

When payroll validates the VC data, it checks for error conditions that require correction prior to payroll processing. If errors are detected, payroll publishes an acknowledgment to VC and supplies reason codes.

4. VC subscribes to the acknowledgement of rejected or erred awards. The subscription updates the Award tables.

- If all awards for a specified VC plan and payout period are rejected at VC request due to error in VC submission, the Group Status and Award Status are changed to *J* (rejected).
- If awards fail validation, the Group Status and Award Status are changed to *E* (error) and payroll supplies a reason code.
- The Award Date is updated to the current date.
- Workflow notification of erred or rejected awards is sent to the VC administrator.

If the awards are erred or rejected by Payroll for North America, the VC administrator can run the Subscription Error report to see the details of rejections, errors, and reasons. Otherwise, the VC administrator can check the Service Operations Monitor to view the details.

- VC administrator corrects the awards and sets the individual Award Status to *D* (ready to submit). When all individual awards have the status of *D*, *S*, or *C* the Group Status is changed to *D*, which triggers publishing of the awards.
- 5. Payroll processes validated awards and issues checks.
- 6. Payroll publishes a verification of payment to VC.
- 7. VC subscribes to the verification of payment. The subscription updates the Award tables.
  - Updates the Group Status and Award Status to *P* (paid/granted).
  - Updates the Award Date to the value set by payroll as the date of payment ( Payroll for North America only).

## Error Reason Codes

When Payroll for North America or Global Payroll publishes notification of erred awards (Award Status of *E*), the notification includes reason codes for the error.

- Payroll for North America error reason codes:
  - Invalid Earning Code (Invalid EC).
  - Invalid Employee ID & Record# (Invalid EE).
  - Invalid Currency Code (Invalid CC).
  - Transaction already exists (Tran exist).
  - Amount Exceeds Payroll Maximum (Exceed Max).
- Global Payroll Error Reason Codes:
  - Invalid Currency Code (Invalid CC).
  - Transaction already exists (Tran exist).
  - Error Updating Gen PI (PI Err).
  - Error Updating ACK\_PUB (Pub Err).
  - Invalid Pin Number (Pin Err).

## See Also

*PeopleSoft Enterprise Payroll for North America 9.0 PeopleBook*, “Integrating with PeopleSoft HRMS and Enterprise Expenses”

*PeopleSoft Enterprise Global Payroll 9.0 PeopleBook*, “Integrating with Variable Compensation Functionality”

## Setting Up Integration Points with Payroll Applications

Before using the integration between the Variable Compensation business process and Payroll for North America or Global Payroll, configure the Integration Broker local node, set up routings, and activate these service operations:

| Service Operation              | Message Definition                                                                             |
|--------------------------------|------------------------------------------------------------------------------------------------|
| VAR_COMP_PAYMENT_REQUEST       | VC publishes award data to Payroll for North America and payroll subscribes to the award data. |
| VAR_COMP_PAYMENT_ACKNOWLEDGE   | Payroll for North America publishes payout data to VC and VC subscribes.                       |
| VAR_COMP_PAYMENT_REQUEST_GP    | VC publishes award data to Global Payroll and payroll subscribes to the award data.            |
| VAR_CMP_PAYMENT_ACKNOWLEDGE_GP | Global Payroll publishes payout data to VC and VC subscribes.                                  |

### See Also

*Interactive Services Repository* in the Implementation Guide section of Customer Connection.

*PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook*, “Working with Integration Points in Enterprise HRMS”

*Enterprise PeopleTools PeopleBook: Integration Broker*

---

## Integrating with Stock Administration

This section provides an overview and discusses how to set up the integration with Stock Administration.

### Summary of Integration with Stock Administration

When the Group Status on the Award Allocation page is *D* (ready to submit), the Variable Compensation system publishes the awards directly to Stock Administration for distribution if Stock Administration is installed on your database.

These steps summarize the award distribution integration between the Variable Compensation business process and Stock Administration:

1. The Variable Compensation (VC) business process publishes awards to Stock Administration.  
When the status of all individual awards on the Award Allocation page is *D*, *S*, or *C*, the system changes the group status to *D* and publishes a message that inserts the awards into a staging table. The Group Status and individual Award Status on the Award Allocation page are changed to *S* (submitted).
2. Stock Administration subscribes to VC’s message. Subscription performs validation and proceeds to either generate grants or to void, modify, or reject grants.

- **Generate Grants:**

Stock Administration runs the Generate Grants Application Engine process to generate the grants and batch publishes the awards to VC.

The batch publish of grants generated results in these changes to the VC Award table:

- Changes the Award Date to the date granted.
- Changes the Award Status to *P* (paid/granted) when granted with no validation errors or to *E* (errored) when granted with validation errors.
- Updates the Actual Award to the number of shares granted.
- Updates the Award Value.

- **Void, modify, or reject grants:** (This is generally done if there was a data entry error in the run control for generating the grants)

- Batch publish of voided grants to VC sets Award Status to *C* (cancelled).
- Batch publish of modified grants to VC through staging table generates the same updates to VC data as publishing grants without modification.
- Batch publish of rejected grants sets Award Status to *J* (rejected) if the awards were sent to Stock Administration in error.

---

**Note.** Once the awards are rejected, they can't be recalculated in the same period. They must be recalculated in the following period.

---

3. Shares for VC plans or funding periods that have expired are returned to Stock Administration.

Stock Administration decreases the VC funding table by the number of shares remaining.

4. Stock Administration updates VC tables when stocks split.

- Updates the Awards table and the Plan Funding table.
- Batch publishes effected VC awards.

5. Stock Administration recalculates award value when stock is repriced and publishes revised awards updating the Award Value.

## See Also

*PeopleSoft Enterprise Stock Administration 9.0 PeopleBook*, “Administering Variable Compensation Grants”

## Setting Up Integration Points with Stock Administration

Before using the integration between the Variable Compensation business process and Stock Administration, configure the Integration Broker nodes and activate the appropriate queues, handlers, and routings for these service operations:

| Service Operation  | Message Definition                                                                                                        |
|--------------------|---------------------------------------------------------------------------------------------------------------------------|
| AWARD_GRANT_ISSUE  | Variable Compensation publishes award data to Stock Administration and Stock Administration subscribes to the award data. |
| GRANT_AWARD_UPDATE | Stock Administration publishes grant data to Variable Compensation and Variable Compensation subscribes.                  |

### See Also

*Interactive Services Repository* in the Implementation Guide section of Customer Connection.

*PeopleSoft Enterprise HRMS 9.0 Application Fundamentals PeopleBook*, “Working with Integration Points in Enterprise HRMS”

*Enterprise PeopleTools PeopleBook: Integration Broker*

---

## Reporting on Award Payout and Distribution

PeopleSoft Enterprise provides these reports to assist in payout processing:

- Actual Awards report.

After the system submits the awards for payout, run the Actual Awards report. This report is similar to the Calculate Awards report, but it shows any modifications that you made to the award on the Award Allocation page.

- Subscription Errors report.

The variable compensation (VC) administrator can run the Subscription Error report after receiving workflow email notification that an erred or rejected award has been returned from Payroll for North America or Stock Administration.

## Pages Used to Run Award Payout and Distribution Reports

| Page Name | Object Name   | Navigation                                                                                                                                                                                               | Usage                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
|-----------|---------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Varies    | RUNCTL_VC_REP | <ul style="list-style-type: none"> <li>• Compensation, Variable Compensation, Award Reports, Actual Awards</li> <li>• Compensation, Variable Compensation, Award Reports, Subscription Errors</li> </ul> | <p>Use this page to run both reports:</p> <ul style="list-style-type: none"> <li>• Actual Award Report (VC001). You can select a detailed report or a summary report.</li> </ul> <p>The detailed report lists all workers in a plan by group, the worker's target award value, annual rate, job code, actual award, and value. It also indicates whether the award is either the minimum or maximum payout under the plan, the total award value for each group, and the grand total for the plan.</p> <p>The summary report lists the total award value for each group and the grand total for the plan.</p> <ul style="list-style-type: none"> <li>• Subscription Error Report (VC013).</li> </ul> |

---

## Viewing and Reporting on Variable Compensation History

This section discusses how to use the Employee History page to view worker award history information online. Use the Employee History report or the Plan History report to print variable compensation history by worker or by plan, respectively.

## Page Used to View and Report on Variable Compensation History

| Page Name               | Object Name        | Navigation                                                                                                    | Usage                                                                                                                                                                                                                                                                              |
|-------------------------|--------------------|---------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Employee History        | VC_EE_HISTORY      | Compensation, Variable Compensation, Finalize Awards, Review Employee Award History, Employee History Inquiry | View the history of a worker's target and actual awards in each plan and payout period.                                                                                                                                                                                            |
| Employee History Report | RUNCTL_VC_EEHIS_RP | Compensation, Variable Compensation, Award Reports, Employee History, Employee History Report                 | Run the Employee History Report (VC005). For each worker, the report lists target values, award values, and units by plan and payout period. It also prints the total values and units for each plan. In addition, select to print each worker's grand total values for all plans. |
| Plan History Report     | RUNCTL_VC_REP      | Compensation, Variable Compensation, Award Reports, Plan History, Plan History Report                         | Run the Plan History Report (VC009). The report provides information about the plan definition and lists award values, proration, and approver information by payout period for the plan ID that you specify.                                                                      |

## Viewing Employee Target and Awards History

Access the Employee History page.

| Employee History                                                                                                                                                                                                                                                                                                                                                                                                                                           |          |             |                     |             |              |               |                  |          |            |             |             |              |              |    |        |            |         |         |              |          |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|-------------|---------------------|-------------|--------------|---------------|------------------|----------|------------|-------------|-------------|--------------|--------------|----|--------|------------|---------|---------|--------------|----------|
| Betty Locherty                                                                                                                                                                                                                                                                                                                                                                                                                                             |          | EMP         | ID:                 | KU0007      | Empl Rcd #:  | 0             |                  |          |            |             |             |              |              |    |        |            |         |         |              |          |
| <div>Plan Details</div> <div>Find   View All   First 1 of 3 Last</div> <div>Plan ID: KCORP Tree Plan - Corporate Compensation</div>                                                                                                                                                                                                                                                                                                                        |          |             |                     |             |              |               |                  |          |            |             |             |              |              |    |        |            |         |         |              |          |
| <div>Employee Details</div> <div>Customize   Find   View All   First 1 of 1 Last</div> <table border="1"> <thead> <tr> <th>Payout Period ID</th> <th>Group ID</th> <th>Award Date</th> <th>Award (Amt)</th> <th>Award Value</th> <th>Target Value</th> <th>Award Status</th> </tr> </thead> <tbody> <tr> <td>Q1</td> <td>KVCALL</td> <td>05/24/2000</td> <td>5000.00</td> <td>5000.00</td> <td>15000.000000</td> <td>Approved</td> </tr> </tbody> </table> |          |             |                     |             |              |               | Payout Period ID | Group ID | Award Date | Award (Amt) | Award Value | Target Value | Award Status | Q1 | KVCALL | 05/24/2000 | 5000.00 | 5000.00 | 15000.000000 | Approved |
| Payout Period ID                                                                                                                                                                                                                                                                                                                                                                                                                                           | Group ID | Award Date  | Award (Amt)         | Award Value | Target Value | Award Status  |                  |          |            |             |             |              |              |    |        |            |         |         |              |          |
| Q1                                                                                                                                                                                                                                                                                                                                                                                                                                                         | KVCALL   | 05/24/2000  | 5000.00             | 5000.00     | 15000.000000 | Approved      |                  |          |            |             |             |              |              |    |        |            |         |         |              |          |
| Total Actual Award:                                                                                                                                                                                                                                                                                                                                                                                                                                        |          | 5000.000000 | Total Target Award: |             | 15000.000000 | Currency: USD |                  |          |            |             |             |              |              |    |        |            |         |         |              |          |

Employee History page

### Award Date

The date on which the award was granted for each payout period.

### Award (Amt) (award amount)

The award amount in the currency of the plan. (This column is hidden if the worker did not receive a monetary award in the plan period.)

### Award (Units)

This column of the grid is hidden if the worker did not receive a non-monetary or stock award in the plan period.

### Award Value

The value of the award granted in each period, expressed in the currency of the plan.

|                           |                                                                                                                                                                                              |
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| <b>Target Value</b>       | The value of the worker's target award (expressed in the currency of the plan) as calculated by the Calculate Awards process for each payout period.                                         |
| <b>Total Actual Award</b> | The total of awards granted to the worker under the plan ID, expressed in units or currency, depending on the plan type. Monetary value is expressed in the currency of the plan.            |
| <b>Total Target Award</b> | The total of target awards calculated for the worker under the plan ID, expressed in units or currency, depending on the plan type. Monetary value is expressed in the currency of the plan. |

# Glossary of PeopleSoft Enterprise Terms

|                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
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| <b>absence entitlement</b>   | This element defines rules for granting paid time off for valid absences, such as sick time, vacation, and maternity leave. An absence entitlement element defines the entitlement amount, frequency, and entitlement period.                                                                                                                                                                                                                                               |
| <b>absence take</b>          | This element defines the conditions that must be met before a payee is entitled to take paid time off.                                                                                                                                                                                                                                                                                                                                                                      |
| <b>academic career</b>       | In PeopleSoft Enterprise Campus Solutions, all course work that a student undertakes at an academic institution and that is grouped in a single student record. For example, a university that has an undergraduate school, a graduate school, and various professional schools might define several academic careers—an undergraduate career, a graduate career, and separate careers for each professional school (law school, medical school, dental school, and so on). |
| <b>academic institution</b>  | In PeopleSoft Enterprise Campus Solutions, an entity (such as a university or college) that is independent of other similar entities and that has its own set of rules and business processes.                                                                                                                                                                                                                                                                              |
| <b>academic organization</b> | In PeopleSoft Enterprise Campus Solutions, an entity that is part of the administrative structure within an academic institution. At the lowest level, an academic organization might be an academic department. At the highest level, an academic organization can represent a division.                                                                                                                                                                                   |
| <b>academic plan</b>         | In PeopleSoft Enterprise Campus Solutions, an area of study—such as a major, minor, or specialization—that exists within an academic program or academic career.                                                                                                                                                                                                                                                                                                            |
| <b>academic program</b>      | In PeopleSoft Enterprise Campus Solutions, the entity to which a student applies and is admitted and from which the student graduates.                                                                                                                                                                                                                                                                                                                                      |
| <b>accounting class</b>      | In PeopleSoft Enterprise Performance Management, the accounting class defines how a resource is treated for generally accepted accounting practices. The Inventory class indicates whether a resource becomes part of a balance sheet account, such as inventory or fixed assets, while the Non-inventory class indicates that the resource is treated as an expense of the period during which it occurs.                                                                  |
| <b>accounting date</b>       | The accounting date indicates when a transaction is recognized, as opposed to the date the transaction actually occurred. The accounting date and transaction date can be the same. The accounting date determines the period in the general ledger to which the transaction is to be posted. You can only select an accounting date that falls within an open period in the ledger to which you are posting. The accounting date for an item is normally the invoice date. |
| <b>accounting split</b>      | The accounting split method indicates how expenses are allocated or divided among one or more sets of accounting ChartFields.                                                                                                                                                                                                                                                                                                                                               |
| <b>accumulator</b>           | You use an accumulator to store cumulative values of defined items as they are processed. You can accumulate a single value over time or multiple values over time. For example, an accumulator could consist of all voluntary deductions, or all company deductions, enabling you to accumulate amounts. It allows total flexibility for time periods and values accumulated.                                                                                              |
| <b>action reason</b>         | The reason an employee's job or employment information is updated. The action reason is entered in two parts: a personnel action, such as a promotion, termination, or change from one pay group to another—and a reason for that action. Action reasons are used by PeopleSoft Enterprise Human Resources, PeopleSoft Enterprise Benefits                                                                                                                                  |

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|                                | Administration, PeopleSoft Enterprise Stock Administration, and the COBRA Administration feature of the Base Benefits business process.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>action template</b>         | In PeopleSoft Enterprise Receivables, outlines a set of escalating actions that the system or user performs based on the period of time that a customer or item has been in an action plan for a specific condition.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>activity</b>                | <p>In PeopleSoft Enterprise Learning Management, an instance of a catalog item (sometimes called a class) that is available for enrollment. The activity defines such things as the costs that are associated with the offering, enrollment limits and deadlines, and waitlisting capacities.</p> <p>In PeopleSoft Enterprise Performance Management, the work of an organization and the aggregation of actions that are used for activity-based costing.</p> <p>In PeopleSoft Enterprise Project Costing, the unit of work that provides a further breakdown of projects—usually into specific tasks.</p> <p>In PeopleSoft Workflow, a specific transaction that you might need to perform in a business process. Because it consists of the steps that are used to perform a transaction, it is also known as a step map.</p> |
| <b>address usage</b>           | In PeopleSoft Enterprise Campus Solutions, a grouping of address types defining the order in which the address types are used. For example, you might define an address usage code to process addresses in the following order: billing address, dormitory address, home address, and then work address.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>adjustment calendar</b>     | In PeopleSoft Enterprise Campus Solutions, the adjustment calendar controls how a particular charge is adjusted on a student's account when the student drops classes or withdraws from a term. The charge adjustment is based on how much time has elapsed from a predetermined date, and it is determined as a percentage of the original charge amount.                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>administrative function</b> | In PeopleSoft Enterprise Campus Solutions, a particular functional area that processes checklists, communication, and comments. The administrative function identifies which variable data is added to a person's checklist or communication record when a specific checklist code, communication category, or comment is assigned to the student. This key data enables you to trace that checklist, communication, or comment back to a specific processing event in a functional area.                                                                                                                                                                                                                                                                                                                                        |
| <b>admit type</b>              | In PeopleSoft Enterprise Campus Solutions, a designation used to distinguish first-year applications from transfer applications.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>agreement</b>               | In PeopleSoft Enterprise eSettlements, provides a way to group and specify processing options, such as payment terms, pay from a bank, and notifications by a buyer and supplier location combination.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>allocation rule</b>         | In PeopleSoft Enterprise Incentive Management, an expression within compensation plans that enables the system to assign transactions to nodes and participants. During transaction allocation, the allocation engine traverses the compensation structure from the current node to the root node, checking each node for plans that contain allocation rules.                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>alternate account</b>       | A feature in PeopleSoft Enterprise General Ledger that enables you to create a statutory chart of accounts and enter statutory account transactions at the detail transaction level, as required for recording and reporting by some national governments.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>analysis database</b>       | In PeopleSoft Enterprise Campus Solutions, database tables that store large amounts of student information that may not appear in standard report formats. The analysis database tables contain keys for all objects in a report that an application program can use to reference other student-record objects that are not contained in the printed report. For instance, the analysis database contains data on courses that are considered                                                                                                                                                                                                                                                                                                                                                                                    |

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|                               | for satisfying a requirement but that are rejected. It also contains information on courses captured by global limits. An analysis database is used in PeopleSoft Enterprise Academic Advisement.                                                                                                           |
| <b>Application Messaging</b>  | PeopleSoft Application Messaging enables applications within the PeopleSoft Enterprise product family to communicate synchronously or asynchronously with other PeopleSoft Enterprise and third-party applications. An application message defines the records and fields to be published or subscribed to. |
| <b>AR specialist</b>          | Abbreviation for <i>receivables specialist</i> . In PeopleSoft Enterprise Receivables, an individual in who tracks and resolves deductions and disputed items.                                                                                                                                              |
| <b>arbitration plan</b>       | The arbiter when multiple price rules match the transaction. This plan determines the order in which the price rules are applied to the transaction base price.                                                                                                                                             |
| <b>assessment rule</b>        | In PeopleSoft Enterprise Receivables, a user-defined rule that the system uses to evaluate the condition of a customer's account or of individual items to determine whether to generate a follow-up action.                                                                                                |
| <b>asset class</b>            | An asset group used for reporting purposes. It can be used in conjunction with the asset category to refine asset classification.                                                                                                                                                                           |
| <b>attribute/value pair</b>   | In PeopleSoft Enterprise Directory Interface, relates the data that makes up an entry in the directory information tree.                                                                                                                                                                                    |
| <b>auction event</b>          | In PeopleSoft Strategic Sourcing, a sourcing event where bidders actively compete against one another to achieve the best price or score.                                                                                                                                                                   |
| <b>audience</b>               | In PeopleSoft Enterprise Campus Solutions, a segment of the database that relates to an initiative, or a membership organization that is based on constituent attributes rather than a dues-paying structure. Examples of audiences include the Class of '65 and Undergraduate Arts & Sciences.             |
| <b>authentication server</b>  | A server that is set up to verify users of the system.                                                                                                                                                                                                                                                      |
| <b>base time period</b>       | In PeopleSoft Enterprise Business Planning, the lowest level time period in a calendar.                                                                                                                                                                                                                     |
| <b>benchmark job</b>          | In PeopleSoft Enterprise Workforce Analytics Solution, a benchmark job is a job code for which there is corresponding salary survey data from published, third-party sources.                                                                                                                               |
| <b>bid response</b>           | In PeopleSoft Strategic Sourcing, the response by a bidder to an event.                                                                                                                                                                                                                                     |
| <b>billing career</b>         | In PeopleSoft Enterprise Campus Solutions, the one career under which other careers are grouped for billing purposes if a student is active simultaneously in multiple careers.                                                                                                                             |
| <b>bio bit or bio brief</b>   | In PeopleSoft Enterprise Campus Solutions, a report that summarizes information stored in the system about a particular constituent. You can generate standard or specialized reports.                                                                                                                      |
| <b>book</b>                   | In PeopleSoft Enterprise Asset Management, used for storing financial and tax information, such as costs, depreciation attributes, and retirement information on assets.                                                                                                                                    |
| <b>branch</b>                 | A tree node that rolls up to nodes above it in the hierarchy, as defined in PeopleSoft Tree Manager.                                                                                                                                                                                                        |
| <b>budgetary account only</b> | An account used by the system only and not by users; this type of account does not accept transactions. You can only budget with this account. Formerly called "system-maintained account."                                                                                                                 |

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| <b>budget check</b>              | In commitment control, the processing of source transactions against control budget ledgers, to see if they pass, fail, or pass with a warning.                                                                                                                                                                                                                                                              |
| <b>budget control</b>            | In commitment control, budget control ensures that commitments and expenditures don't exceed budgets. It enables you to track transactions against corresponding budgets and terminate a document's cycle if the defined budget conditions are not met. For example, you can prevent a purchase order from being dispatched to a vendor if there are insufficient funds in the related budget to support it. |
| <b>budget period</b>             | The interval of time (such as 12 months or 4 quarters) into which a period is divided for budgetary and reporting purposes. The ChartField allows maximum flexibility to define operational accounting time periods without restriction to only one calendar.                                                                                                                                                |
| <b>business activity</b>         | The name of a subset of a detailed business process. This might be a specific transaction, task, or action that you perform in a business process.                                                                                                                                                                                                                                                           |
| <b>business event</b>            | <p>In PeopleSoft Enterprise Receivables, defines the processing characteristics for the Receivable Update process for a draft activity.</p> <p>In PeopleSoft Enterprise Sales Incentive Management, an original business transaction or activity that may justify the creation of a PeopleSoft Enterprise Incentive Management event (a sale, for example).</p>                                              |
| <b>business process</b>          | <p>A standard set of 17 business processes are defined and maintained by the PeopleSoft Enterprise product families and are supported by the Business Process Engineering group. An example of a business process is Order Fulfillment, which is a business process that manages sales orders and contracts, inventory, billing, and so forth.</p> <p>See also <i>detailed business process</i>.</p>         |
| <b>business unit constraints</b> | In PeopleSoft Strategic Sourcing, these constraints apply to a selected Strategic Sourcing business unit. Spend is tracked across all of the events within the selected Strategic Sourcing business unit.                                                                                                                                                                                                    |
| <b>business task</b>             | The name of the specific function depicted in one of the business processes.                                                                                                                                                                                                                                                                                                                                 |
| <b>business unit</b>             | A corporation or a subset of a corporation that is independent with regard to one or more operational or accounting functions.                                                                                                                                                                                                                                                                               |
| <b>buyer</b>                     | In PeopleSoft Enterprise eSettlements, an organization (or business unit, as opposed to an individual) that transacts with suppliers (vendors) within the system. A buyer creates payments for purchases that are made in the system.                                                                                                                                                                        |
| <b>buy event</b>                 | In PeopleSoft Strategic Sourcing, for event creators, the purchase of goods or services, most typically associated with a request for quote, proposal, or reverse auction. For bidders, the sale of goods or services.                                                                                                                                                                                       |
| <b>campus</b>                    | In PeopleSoft Enterprise Campus Solutions, an entity that is usually associated with a distinct physical administrative unit, that belongs to a single academic institution, that uses a unique course catalog, and that produces a common transcript for students within the same academic career.                                                                                                          |
| <b>cash drawer</b>               | A repository for monies and payments taken locally.                                                                                                                                                                                                                                                                                                                                                          |
| <b>catalog item</b>              | In PeopleSoft Enterprise Learning Management, a specific topic that a learner can study and have tracked. For example, "Introduction to Microsoft Word." A catalog item contains general information about the topic and includes a course code, description, categorization, keywords, and delivery methods. A catalog item can have one or more learning activities.                                       |
| <b>catalog map</b>               | In PeopleSoft Enterprise Catalog Management, translates values from the catalog source data to the format of the company's catalog.                                                                                                                                                                                                                                                                          |

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| <b>catalog partner</b>             | In PeopleSoft Enterprise Catalog Management, shares responsibility with the enterprise catalog manager for maintaining catalog content.                                                                                                                                                                                            |
| <b>categorization</b>              | Associates partner offerings with catalog offerings and groups them into enterprise catalog categories.                                                                                                                                                                                                                            |
| <b>category</b>                    | In PeopleSoft Enterprise Campus Solutions, a broad grouping to which specific comments or communications (contexts) are assigned. Category codes are also linked to 3C access groups so that you can assign data-entry or view-only privileges across functions.                                                                   |
| <b>channel</b>                     | In PeopleSoft MultiChannel Framework, email, chat, voice (computer telephone integration [CTI]), or a generic event.                                                                                                                                                                                                               |
| <b>ChartField</b>                  | A field that stores a chart of accounts, resources, and so on, depending on the PeopleSoft Enterprise application. ChartField values represent individual account numbers, department codes, and so forth.                                                                                                                         |
| <b>ChartField balancing</b>        | You can require specific ChartFields to match up (balance) on the debit and the credit side of a transaction.                                                                                                                                                                                                                      |
| <b>ChartField combination edit</b> | The process of editing journal lines for valid ChartField combinations based on user-defined rules.                                                                                                                                                                                                                                |
| <b>ChartKey</b>                    | One or more fields that uniquely identify each row in a table. Some tables contain only one field as the key, while others require a combination.                                                                                                                                                                                  |
| <b>checkbook</b>                   | In PeopleSoft Enterprise Promotions Management, enables you to view financial data (such as planned, incurred, and actual amounts) that is related to funds and trade promotions.                                                                                                                                                  |
| <b>checklist code</b>              | In PeopleSoft Enterprise Campus Solutions, a code that represents a list of planned or completed action items that can be assigned to a staff member, volunteer, or unit. Checklists enable you to view all action assignments on one page.                                                                                        |
| <b>claimback</b>                   | In the wholesale distribution industry, a contract between supplier and distributor, in which monies are paid to the distributor on the sale of specified products or product groups to targeted customers or customer groups.                                                                                                     |
| <b>class</b>                       | In PeopleSoft Enterprise Campus Solutions, a specific offering of a course component within an academic term.<br><br>See also <i>course</i> .                                                                                                                                                                                      |
| <b>Class ChartField</b>            | A ChartField value that identifies a unique appropriation budget key when you combine it with a fund, department ID, and program code, as well as a budget period. Formerly called <i>sub-classification</i> .                                                                                                                     |
| <b>clearance</b>                   | In PeopleSoft Enterprise Campus Solutions, the period of time during which a constituent in PeopleSoft Enterprise Contributor Relations is approved for involvement in an initiative or an action. Clearances are used to prevent development officers from making multiple requests to a constituent during the same time period. |
| <b>clone</b>                       | In PeopleCode, to make a unique copy. In contrast, to <i>copy</i> may mean making a new reference to an object, so if the underlying object is changed, both the copy and the original change.                                                                                                                                     |
| <b>cohort</b>                      | In PeopleSoft Enterprise Campus Solutions, the highest level of the three-level classification structure that you define for enrollment management. You can define a cohort level, link it to other levels, and set enrollment target numbers for it.<br><br>See also <i>population</i> and <i>division</i> .                      |

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| <b>collection</b>                      | To make a set of documents available for searching in Verity, you must first create at least one collection. A collection is set of directories and files that allow search application users to use the Verity search engine to quickly find and display source documents that match search criteria. A collection is a set of statistics and pointers to the source documents, stored in a proprietary format on a file server. Because a collection can only store information for a single location, PeopleTools maintains a set of collections (one per language code) for each search index object. |
| <b>collection rule</b>                 | In PeopleSoft Enterprise Receivables, a user-defined rule that defines actions to take for a customer based on both the amount and the number of days past due for outstanding balances.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>comm key</b>                        | See <i>communication key</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>communication key</b>               | In PeopleSoft Enterprise Campus Solutions, a single code for entering a combination of communication category, communication context, communication method, communication direction, and standard letter code. Communication keys (also called <i>comm keys</i> or <i>speed keys</i> ) can be created for background processes as well as for specific users.                                                                                                                                                                                                                                             |
| <b>compensation object</b>             | In PeopleSoft Enterprise Incentive Management, a node within a compensation structure. Compensation objects are the building blocks that make up a compensation structure's hierarchical representation.                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>compensation structure</b>          | In PeopleSoft Enterprise Incentive Management, a hierarchical relationship of compensation objects that represents the compensation-related relationship between the objects.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>component interface</b>             | A component interface is a set of application programming interfaces (APIs) that you can use to access and modify PeopleSoft Enterprise database information using a program instead of the PeopleSoft client.                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>condition</b>                       | In PeopleSoft Enterprise Receivables, occurs when there is a change of status for a customer's account, such as reaching a credit limit or exceeding a user-defined balance due.                                                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>configuration parameter catalog</b> | Used to configure an external system with PeopleSoft Enterprise. For example, a configuration parameter catalog might set up configuration and communication parameters for an external server.                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>configuration plan</b>              | In PeopleSoft Enterprise Incentive Management, configuration plans hold allocation information for common variables (not incentive rules) and are attached to a node without a participant. Configuration plans are not processed by transactions.                                                                                                                                                                                                                                                                                                                                                        |
| <b>constituents</b>                    | In PeopleSoft Enterprise Campus Solutions, friends, alumni, organizations, foundations, or other entities affiliated with the institution, and about which the institution maintains information. The constituent types delivered with PeopleSoft Enterprise Contributor Relations Solutions are based on those defined by the Council for the Advancement and Support of Education (CASE).                                                                                                                                                                                                               |
| <b>constraint</b>                      | A business policy or rule that affects how a sourcing event is awarded. There are three types of constraints: business, global, and event.                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>content reference</b>               | Content references are pointers to content registered in the portal registry. These are typically either URLs or iScripts. Content references fall into three categories: target content, templates, and template pagelets.                                                                                                                                                                                                                                                                                                                                                                               |
| <b>context</b>                         | In PeopleCode, determines which buffer fields can be contextually referenced and which is the current row of data on each scroll level when a PeopleCode program is running.<br><br>In PeopleSoft Enterprise Campus Solutions, a specific instance of a comment or communication. One or more contexts are assigned to a category, which you link to                                                                                                                                                                                                                                                      |

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|                                | 3C access groups so that you can assign data-entry or view-only privileges across functions.                                                                                                                                                                                                                                                            |
|                                | In PeopleSoft Enterprise Incentive Management, a mechanism that is used to determine the scope of a processing run. PeopleSoft Enterprise Incentive Management uses three types of context: plan, period, and run-level.                                                                                                                                |
| <b>control table</b>           | Stores information that controls the processing of an application. This type of processing might be consistent throughout an organization, or it might be used only by portions of the organization for more limited sharing of data.                                                                                                                   |
| <b>cost plus contract line</b> | A rate-based contract line associated with a fee component of Award, Fixed, Incentive, or Other. Rate-based contract lines associated with a fee type of None are not considered cost-plus contract lines.                                                                                                                                              |
| <b>cost plus pricing</b>       | In PeopleSoft Enterprise Pricer, a pricing method that begins with cost of goods as the basis.                                                                                                                                                                                                                                                          |
| <b>cost profile</b>            | A combination of a receipt cost method, a cost flow, and a deplete cost method. A profile is associated with a cost book and determines how items in that book are valued, as well as how the material movement of the item is valued for the book.                                                                                                     |
| <b>cost row</b>                | A cost transaction and amount for a set of ChartFields.                                                                                                                                                                                                                                                                                                 |
| <b>counter sale</b>            | A face-to-face customer transaction where the customer typically selects items from the storefront or picks up products that they ordered ahead of time. Customers pay for the goods at the counter and take the goods with them instead of having the goods shipped from a warehouse.                                                                  |
| <b>course</b>                  | In PeopleSoft Enterprise Campus Solutions, a course that is offered by a school and that is typically described in a course catalog. A course has a standard syllabus and credit level; however, these may be modified at the class level. Courses can contain multiple components such as lecture, discussion, and lab.<br><br>See also <i>class</i> . |
| <b>course share set</b>        | In PeopleSoft Enterprise Campus Solutions, a tag that defines a set of requirement groups that can share courses. Course share sets are used in PeopleSoft Enterprise Academic Advisement.                                                                                                                                                              |
| <b>current learning</b>        | In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's in-progress learning activities and programs.                                                                                                                                                                                                            |
| <b>data acquisition</b>        | In PeopleSoft Enterprise Incentive Management, the process during which raw business transactions are acquired from external source systems and fed into the operational data store (ODS).                                                                                                                                                              |
| <b>data cube</b>               | In PeopleSoft Analytic Calculation Engine, a data cube is a container for one kind of data (such as Sales data) and works with in tandem with one or more dimensions. Dimensions and data cubes in PeopleSoft Analytic Calculation Engine are unrelated to dimensions and online analytical processing (OLAP) cubes in PeopleSoft Cube Manager.         |
| <b>data elements</b>           | Data elements, at their simplest level, define a subset of data and the rules by which to group them.<br><br>For Workforce Analytics, data elements are rules that tell the system what measures to retrieve about your workforce groups.                                                                                                               |
| <b>dataset</b>                 | A data grouping that enables role-based filtering and distribution of data. You can limit the range and quantity of data that is displayed for a user by associating dataset rules with user roles. The result of dataset rules is a set of data that is appropriate for the user's roles.                                                              |

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| <b>delivery method</b>            | <p>In PeopleSoft Enterprise Learning Management, identifies the primary type of delivery method in which a particular learning activity is offered. Also provides default values for the learning activity, such as cost and language. This is primarily used to help learners search the catalog for the type of delivery from which they learn best. Because PeopleSoft Enterprise Learning Management is a blended learning system, it does not enforce the delivery method.</p> <p>In PeopleSoft Enterprise Supply Chain Management, identifies the method by which goods are shipped to their destinations (such as truck, air, and rail). The delivery method is specified when creating shipment schedules.</p> |
| <b>delivery method type</b>       | In PeopleSoft Enterprise Learning Management, identifies how learning activities can be delivered—for example, through online learning, classroom instruction, seminars, books, and so forth—in an organization. The type determines whether the delivery method includes scheduled components.                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>detailed business process</b>  | A subset of the business process. For example, the detailed business process named Determine Cash Position is a subset of the business process called Cash Management.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>dimension</b>                  | <p>In PeopleSoft Analytic Calculation Engine, a dimension contains a list of one kind of data that can span various contexts, and it is a basic component of an analytic model. Within the analytic model, a dimension is attached to one or more data cubes. In PeopleSoft Cube Manager, a dimension is the most basic component of an OLAP cube and specifies the PeopleSoft metadata to be used to create the dimension's rollup structure. Dimensions and data cubes in PeopleSoft Analytic Calculation Engine are unrelated to dimensions and OLAP cubes in PeopleSoft Cube Manager.</p>                                                                                                                          |
| <b>direct receipt</b>             | Items shipped from a warehouse or vendor to another warehouse.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>direct ship</b>                | Items shipped from the vendor or warehouse directly to the customer (formerly referred to as <i>drop ship</i> ).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>directory information tree</b> | In PeopleSoft Enterprise Directory Interface, the representation of a directory's hierarchical structure.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>division</b>                   | <p>In PeopleSoft Enterprise Campus Solutions, the lowest level of the three-level classification structure that you define in PeopleSoft Enterprise Recruiting and Admissions for enrollment management. You can define a division level, link it to other levels, and set enrollment target numbers for it.</p> <p>See also <i>population</i> and <i>cohort</i>.</p>                                                                                                                                                                                                                                                                                                                                                  |
| <b>document sequencing</b>        | A flexible method that sequentially numbers the financial transactions (for example, bills, purchase orders, invoices, and payments) in the system for statutory reporting and for tracking commercial transaction activity.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>dynamic detail tree</b>        | A tree that takes its detail values—dynamic details—directly from a table in the database, rather than from a range of values that are entered by the user.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>edit table</b>                 | A table in the database that has its own record definition, such as the Department table. As fields are entered into a PeopleSoft Enterprise application, they can be validated against an edit table to ensure data integrity throughout the system.                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>effective date</b>             | A method of dating information in PeopleSoft Enterprise applications. You can predate information to add historical data to your system, or postdate information in order to enter it before it actually goes into effect. By using effective dates, you don't delete values; you enter a new value with a current effective date.                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>EIM ledger</b>                 | Abbreviation for <i>Enterprise Incentive Management ledger</i> . In PeopleSoft Enterprise Incentive Management, an object to handle incremental result gathering within the scope of a participant. The ledger captures a result set with all of the appropriate traces to the data origin and to the processing steps of which it is a result.                                                                                                                                                                                                                                                                                                                                                                        |

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| <b>elimination set</b>           | In PeopleSoft Enterprise General Ledger, a related group of intercompany accounts that is processed during consolidations.                                                                                                                                                                                                                                                                                                                                         |
| <b>entry event</b>               | In PeopleSoft Enterprise General Ledger, Receivables, Payables, Purchasing, and Billing, a business process that generates multiple debits and credits resulting from single transactions to produce standard, supplemental accounting entries.                                                                                                                                                                                                                    |
| <b>equitization</b>              | In PeopleSoft Enterprise General Ledger, a business process that enables parent companies to calculate the net income of subsidiaries on a monthly basis and adjust that amount to increase the investment amount and equity income amount before performing consolidations.                                                                                                                                                                                       |
| <b>equity item limit</b>         | In PeopleSoft Enterprise Campus Solutions, the amounts of funds set by the institution to be awarded with discretionary or gift funds. The limit could be reduced by amounts equal to such things as expected family contribution (EFC) or parent contribution. Students are packaged by Equity Item Type Groups and Related Equity Item Types. This limit can be used to assure that similar student populations are packaged equally.                            |
| <b>event</b>                     | <p>A predefined point either in the Component Processor flow or in the program flow. As each point is encountered, the event activates each component, triggering any PeopleCode program that is associated with that component and that event. Examples of events are FieldChange, SavePreChange, and RowDelete.</p> <p>In PeopleSoft Enterprise Human Resources, also refers to an incident that affects benefits eligibility.</p>                               |
| <b>event constraints</b>         | In PeopleSoft Strategic Sourcing, these constraints are associated with a specific sourcing event. Spend is tracked within the selected event.                                                                                                                                                                                                                                                                                                                     |
| <b>event propagation process</b> | In PeopleSoft Enterprise Sales Incentive Management, a process that determines, through logic, the propagation of an original PeopleSoft Enterprise Incentive Management event and creates a derivative (duplicate) of the original event to be processed by other objects. PeopleSoft Enterprise Enterprise Sales Incentive Management uses this mechanism to implement splits, roll-ups, and so on. Event propagation determines who receives the credit.        |
| <b>exception</b>                 | In PeopleSoft Enterprise Receivables, an item that either is a deduction or is in dispute.                                                                                                                                                                                                                                                                                                                                                                         |
| <b>exclusive pricing</b>         | In PeopleSoft Enterprise Order Management, a type of arbitration plan that is associated with a price rule. Exclusive pricing is used to price sales order transactions.                                                                                                                                                                                                                                                                                           |
| <b>fact</b>                      | In PeopleSoft Enterprise applications, facts are numeric data values from fields from a source database as well as an analytic application. A fact can be anything you want to measure your business by, for example, revenue, actual, budget data, or sales numbers. A fact is stored on a fact table.                                                                                                                                                            |
| <b>financial aid term</b>        | In PeopleSoft Enterprise Campus Solutions, a combination of a period of time that the school determines as an instructional accounting period and an academic career. It is created and defined during the setup process. Only terms eligible for financial aid are set up for each financial aid career.                                                                                                                                                          |
| <b>financial sanctions</b>       | <p>For U.S. based companies and their foreign subsidiaries, a federal regulation from the Office of Foreign Assets Control (OFAC) requires that vendors be validated against a Specially Designated Nationals (SDN) list prior to payment.</p> <p>For PeopleSoft Payables, eSettlements, Cash Management, and Order to Cash, you can validate your vendors against any financial sanctions list (for example, the SDN list, a European Union list, and so on).</p> |
| <b>forecast item</b>             | A logical entity with a unique set of descriptive demand and forecast data that is used as the basis to forecast demand. You create forecast items for a wide range of uses, but they ultimately represent things that you buy, sell, or use in your organization and for which you require a predictable usage.                                                                                                                                                   |

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| <b>fund</b>                 | In PeopleSoft Enterprise Promotions Management, a budget that can be used to fund promotional activity. There are four funding methods: top down, fixed accrual, rolling accrual, and zero-based accrual.                                                                                                                                                                                                                                                                                                         |
| <b>gap</b>                  | In PeopleSoft Enterprise Campus Solutions, an artificial figure that sets aside an amount of unmet financial aid need that is not funded with Title IV funds. A gap can be used to prevent fully funding any student to conserve funds, or it can be used to preserve unmet financial aid need so that institutional funds can be awarded.                                                                                                                                                                        |
| <b>generic process type</b> | In PeopleSoft Process Scheduler, process types are identified by a generic process type. For example, the generic process type SQR includes all SQR process types, such as SQR process and SQR report.                                                                                                                                                                                                                                                                                                            |
| <b>gift table</b>           | In PeopleSoft Enterprise Campus Solutions, a table or so-called <i>donor pyramid</i> describing the number and size of gifts that you expect will be needed to successfully complete the campaign in PeopleSoft Enterprise Contributor Relations. The gift table enables you to estimate the number of donors and prospects that you need at each gift level to reach the campaign goal.                                                                                                                          |
| <b>GDS</b>                  | Abbreviation for <i>Global Distribution System</i> . Broad-based term to describe all computer reservation systems for making travel plans.                                                                                                                                                                                                                                                                                                                                                                       |
| <b>GL business unit</b>     | Abbreviation for <i>general ledger business unit</i> . A unit in an organization that is an independent entity for accounting purposes. It maintains its own set of accounting books.<br><br>See also <i>business unit</i> .                                                                                                                                                                                                                                                                                      |
| <b>GL entry template</b>    | Abbreviation for <i>general ledger entry template</i> . In PeopleSoft Enterprise Campus Solutions, a template that defines how a particular item is sent to the general ledger. An item-type maps to the general ledger, and the GL entry template can involve multiple general ledger accounts. The entry to the general ledger is further controlled by high-level flags that control the summarization and the type of accounting—that is, accrual or cash.                                                    |
| <b>GL Interface process</b> | Abbreviation for <i>General Ledger Interface process</i> . In PeopleSoft Enterprise Campus Solutions, a process that is used to send transactions from PeopleSoft Enterprise Student Financials to the general ledger. Item types are mapped to specific general ledger accounts, enabling transactions to move to the general ledger when the GL Interface process is run.                                                                                                                                       |
| <b>global constraints</b>   | In PeopleSoft Strategic Sourcing, these constraints apply across multiple Strategic Sourcing business units. Spend is tracked across all of the events from the multiple Strategic Sourcing business units.                                                                                                                                                                                                                                                                                                       |
| <b>group</b>                | In PeopleSoft Enterprise Billing and Receivables, a posting entity that comprises one or more transactions (items, deposits, payments, transfers, matches, or write-offs).<br><br>In PeopleSoft Enterprise Human Resources Management and Supply Chain Management, any set of records that are associated under a single name or variable to run calculations in PeopleSoft business processes. In PeopleSoft Enterprise Time and Labor, for example, employees are placed in groups for time reporting purposes. |
| <b>ideal response</b>       | In PeopleSoft Strategic Sourcing, a question that requires the response to match the ideal value for the bid to be considered eligible for award. If the response does not match the ideal value, you can still submit the bid, but it will be disqualified and ineligible for award.                                                                                                                                                                                                                             |
| <b>incentive object</b>     | In PeopleSoft Enterprise Incentive Management, the incentive-related objects that define and support the PeopleSoft Enterprise Incentive Management calculation process and results, such as plan templates, plans, results data, and user interaction objects.                                                                                                                                                                                                                                                   |

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| <b>incentive rule</b>      | In PeopleSoft Enterprise Sales Incentive Management, the commands that act on transactions and turn them into compensation. A rule is one part in the process of turning a transaction into compensation.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>incur</b>               | In PeopleSoft Enterprise Promotions Management, to become liable for a promotional payment. In other words, you owe that amount to a customer for promotional activities.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>initiative</b>          | In PeopleSoft Enterprise Campus Solutions, the basis from which all advancement plans are executed. It is an organized effort targeting a specific constituency, and it can occur over a specified period of time with specific purposes and goals. An initiative can be a campaign, an event, an organized volunteer effort, a membership drive, or any other type of effort defined by the institution. Initiatives can be multipart, and they can be related to other initiatives. This enables you to track individual parts of an initiative, as well as entire initiatives.                                                                                                                                                                                                                                                           |
| <b>inquiry access</b>      | In PeopleSoft Enterprise Campus Solutions, a type of security access that permits the user only to view data.<br><br>See also <i>update access</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>institution</b>         | In PeopleSoft Enterprise Campus Solutions, an entity (such as a university or college) that is independent of other similar entities and that has its own set of rules and business processes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>integration</b>         | A relationship between two compatible integration points that enables communication to take place between systems. Integrations enable PeopleSoft Enterprise applications to work seamlessly with other PeopleSoft Enterprise applications or with third-party systems or software.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>integration point</b>   | An interface that a system uses to communicate with another PeopleSoft Enterprise application or an external application.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>integration set</b>     | A logical grouping of integrations that applications use for the same business purpose. For example, the integration set <code>ADVANCED_SHIPPING_ORDER</code> contains all of the integrations that notify a customer that an order has shipped.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>item</b>                | In PeopleSoft Enterprise Inventory, a tangible commodity that is stored in a business unit (shipped from a warehouse).<br><br>In PeopleSoft Enterprise Demand Planning, Inventory Policy Planning, and Supply Planning, a noninventory item that is designated as being used for planning purposes only. It can represent a family or group of inventory items. It can have a planning bill of material (BOM) or planning routing, and it can exist as a component on a planning BOM. A planning item cannot be specified on a production or engineering BOM or routing, and it cannot be used as a component in a production. The quantity on hand will never be maintained.<br><br>In PeopleSoft Enterprise Receivables, an individual receivable. An item can be an invoice, a credit memo, a debit memo, a write-off, or an adjustment. |
| <b>item shuffle</b>        | In PeopleSoft Enterprise Campus Solutions, a process that enables you to change a payment allocation without having to reverse the payment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>itinerary</b>           | In PeopleSoft Expenses, a collection of travel reservations. Itineraries can have reservations that are selected and reserved with the travel vendor. These itineraries are not yet paid for and can be referred to as <i>pending reservations</i> . Reservations that have been paid for are referred to as <i>confirmed reservations</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| <b>joint communication</b> | In PeopleSoft Enterprise Campus Solutions, one letter that is addressed jointly to two people. For example, a letter might be addressed to both Mr. Sudhir Awat and Ms. Samantha Mortelli. A relationship must be established between the two individuals in the database, and at least one of the individuals must have an ID in the database.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |

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| <b>keyword</b>              | In PeopleSoft Enterprise Campus Solutions, a term that you link to particular elements within PeopleSoft Enterprise Student Financials, Financial Aid, and Contributor Relations. You can use keywords as search criteria that enable you to locate specific records in a search dialog box.                                                                                                                                                                                                                                                                                                                  |
| <b>KPI</b>                  | An abbreviation for <i>key performance indicator</i> . A high-level measurement of how well an organization is doing in achieving critical success factors. This defines the data value or calculation upon which an assessment is determined.                                                                                                                                                                                                                                                                                                                                                                |
| <b>KVI</b>                  | Abbreviation for <i>Known Value Item</i> . Term used for products or groups of products where the selling price cannot be reduced or increased.                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>landlord</b>             | In PeopleSoft Real Estate Management, an entity that owns real estate and leases the real estate to tenants.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>LDIF file</b>            | Abbreviation for <i>Lightweight Directory Access Protocol (LDAP) Data Interchange Format file</i> . Contains discrepancies between PeopleSoft Enterprise data and directory data.                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>learner group</b>        | In PeopleSoft Enterprise Learning Management, a group of learners who are linked to the same learning environment. Members of the learner group can share the same attributes, such as the same department or job code. Learner groups are used to control access to and enrollment in learning activities and programs. They are also used to perform group enrollments and mass enrollments in the back office.                                                                                                                                                                                             |
| <b>learning components</b>  | In PeopleSoft Enterprise Learning Management, the foundational building blocks of learning activities. PeopleSoft Enterprise Learning Management supports six basic types of learning components: web-based, session, webcast, test, survey, and assignment. One or more of these learning component types compose a single learning activity.                                                                                                                                                                                                                                                                |
| <b>learning environment</b> | In PeopleSoft Enterprise Learning Management, identifies a set of categories and catalog items that can be made available to learner groups. Also defines the default values that are assigned to the learning activities and programs that are created within a particular learning environment. Learning environments provide a way to partition the catalog so that learners see only those items that are relevant to them.                                                                                                                                                                               |
| <b>learning history</b>     | In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's completed learning activities and programs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>lease</b>                | In PeopleSoft Real Estate Management, a legally binding agreement between a landlord and a tenant, where the tenant rents all or part of a physical property from the landlord.                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>lease abstract</b>       | In PeopleSoft Real Estate Management, a summarized version of the complete lease contract with only the important terms. The lease abstract usually fits on one page and does not include legal terminology.                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>ledger mapping</b>       | You use ledger mapping to relate expense data from general ledger accounts to resource objects. Multiple ledger line items can be mapped to one or more resource IDs. You can also use ledger mapping to map dollar amounts (referred to as <i>rates</i> ) to business units. You can map the amounts in two different ways: an actual amount that represents actual costs of the accounting period, or a budgeted amount that can be used to calculate the capacity rates as well as budgeted model results. In PeopleSoft Enterprise Warehouse, you can map general ledger accounts to the EW Ledger table. |
| <b>library section</b>      | In PeopleSoft Enterprise Incentive Management, a section that is defined in a plan (or template) and that is available for other plans to share. Changes to a library section are reflected in all plans that use it.                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>line</b>                 | In PeopleSoft Strategic Sourcing, an individual item or service upon which there can be a bid.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

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| <b>linked section</b>         | In PeopleSoft Enterprise Incentive Management, a section that is defined in a plan template but appears in a plan. Changes to linked sections propagate to plans using that section.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>linked variable</b>        | In PeopleSoft Enterprise Incentive Management, a variable that is defined and maintained in a plan template and that also appears in a plan. Changes to linked variables propagate to plans using that variable.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>LMS</b>                    | Abbreviation for <i>learning management system</i> . In PeopleSoft Enterprise Campus Solutions, LMS is a PeopleSoft Enterprise Student Records feature that provides a common set of interoperability standards that enable the sharing of instructional content and data between learning and administrative environments.                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>load</b>                   | In PeopleSoft Enterprise Inventory, identifies a group of goods that are shipped together. Load management is a feature of PeopleSoft Enterprise Inventory that is used to track the weight, the volume, and the destination of a shipment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>local functionality</b>    | In PeopleSoft Enterprise HRMS, the set of information that is available for a specific country. You can access this information when you click the appropriate country flag in the global window, or when you access it by a local country menu.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>location</b>               | Locations enable you to indicate the different types of addresses—for a company, for example, one address to receive bills, another for shipping, a third for postal deliveries, and a separate street address. Each address has a different location number. The primary location—indicated by a <i>1</i> —is the address you use most often and may be different from the main address.                                                                                                                                                                                                                                                                                                                                               |
| <b>logistical task</b>        | In PeopleSoft Enterprise Services Procurement, an administrative task that is related to hiring a service provider. Logistical tasks are linked to the service type on the work order so that different types of services can have different logistical tasks. Logistical tasks include both preapproval tasks (such as assigning a new badge or ordering a new laptop) and postapproval tasks (such as scheduling orientation or setting up the service provider email). The logistical tasks can be mandatory or optional. Mandatory preapproval tasks must be completed before the work order is approved. Mandatory postapproval tasks, on the other hand, must be completed before a work order is released to a service provider. |
| <b>market template</b>        | In PeopleSoft Enterprise Incentive Management, additional functionality that is specific to a given market or industry and is built on top of a product category.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>mass change</b>            | In PeopleSoft Enterprise Campus Solutions, mass change is a SQL generator that can be used to create specialized functionality. Using mass change, you can set up a series of Insert, Update, or Delete SQL statements to perform business functions that are specific to the institution.<br><br>See also <i>3C engine</i> .                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>match group</b>            | In PeopleSoft Enterprise Receivables, a group of receivables items and matching offset items. The system creates match groups by using user-defined matching criteria for selected field values.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>MCF server</b>             | Abbreviation for <i>PeopleSoft MultiChannel Framework server</i> . Comprises the universal queue server and the MCF log server. Both processes are started when <i>MCF Servers</i> is selected in an application server domain configuration.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>merchandising activity</b> | In PeopleSoft Enterprise Promotions Management, a specific discount type that is associated with a trade promotion (such as off-invoice, billback or rebate, or lump-sum payment) that defines the performance that is required to receive the discount. In the industry, you may know this as an offer, a discount, a merchandising event, an event, or a tactic.                                                                                                                                                                                                                                                                                                                                                                      |

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| <b>meta-SQL</b>            | Meta-SQL constructs expand into platform-specific SQL substrings. They are used in functions that pass SQL strings, such as in SQL objects, the SQLExec function, and PeopleSoft Application Engine programs.                                                                                                                                                                   |
| <b>metastring</b>          | Metastrings are special expressions included in SQL string literals. The metastrings, prefixed with a percent (%) symbol, are included directly in the string literals. They expand at run time into an appropriate substring for the current database platform.                                                                                                                |
| <b>multibook</b>           | In PeopleSoft Enterprise General Ledger, multiple ledgers having multiple-base currencies that are defined for a business unit, with the option to post a single transaction to all base currencies (all ledgers) or to only one of those base currencies (ledgers).                                                                                                            |
| <b>multicurrency</b>       | The ability to process transactions in a currency other than the business unit's base currency.                                                                                                                                                                                                                                                                                 |
| <b>national allowance</b>  | In PeopleSoft Enterprise Promotions Management, a promotion at the corporate level that is funded by nondiscretionary dollars. In the industry, you may know this as a national promotion, a corporate promotion, or a corporate discount.                                                                                                                                      |
| <b>NDP</b>                 | Abbreviation for <i>Non-Discountable Products</i> . Term used for products or groups of products where the selling price cannot be decreased.                                                                                                                                                                                                                                   |
| <b>need</b>                | In PeopleSoft Enterprise Campus Solutions, the difference between the cost of attendance (COA) and the expected family contribution (EFC). It is the gap between the cost of attending the school and the student's resources. The financial aid package is based on the amount of financial need. The process of determining a student's need is called <i>need analysis</i> . |
| <b>node-oriented tree</b>  | A tree that is based on a detail structure, but the detail values are not used.                                                                                                                                                                                                                                                                                                 |
| <b>Optimization Engine</b> | A PeopleTools component that Strategic Sourcing leverages to evaluate bids and determine an ideal award allocation. The award recommendation is based on maximizing the value while adhering to purchasing and company objectives and constraints.                                                                                                                              |
| <b>pagelet</b>             | Each block of content on the home page is called a pagelet. These pagelets display summary information within a small rectangular area on the page. The pagelet provide users with a snapshot of their most relevant PeopleSoft Enterprise and non-PeopleSoft Enterprise content.                                                                                               |
| <b>participant</b>         | In PeopleSoft Enterprise Incentive Management, participants are recipients of the incentive compensation calculation process.                                                                                                                                                                                                                                                   |
| <b>participant object</b>  | Each participant object may be related to one or more compensation objects.<br>See also <i>compensation object</i> .                                                                                                                                                                                                                                                            |
| <b>partner</b>             | A company that supplies products or services that are resold or purchased by the enterprise.                                                                                                                                                                                                                                                                                    |
| <b>pay cycle</b>           | In PeopleSoft Enterprise Payables, a set of rules that define the criteria by which it should select scheduled payments for payment creation.                                                                                                                                                                                                                                   |
| <b>payment shuffle</b>     | In PeopleSoft Enterprise Campus Solutions, a process allowing payments that have been previously posted to a student's account to be automatically reapplied when a higher priority payment is posted or the payment allocation definition is changed.                                                                                                                          |
| <b>pending item</b>        | In PeopleSoft Enterprise Receivables, an individual receivable (such as an invoice, a credit memo, or a write-off) that has been entered in or created by the system, but hasn't been posted.                                                                                                                                                                                   |

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| <b>PeopleCode</b>                            | PeopleCode is a proprietary language, executed by the PeopleSoft Enterprise component processor. PeopleCode generates results based on existing data or user actions. By using various tools provided with PeopleTools, external services are available to all PeopleSoft Enterprise applications wherever PeopleCode can be executed.                                                                                                                                                                                                                                                                               |
| <b>PeopleCode event</b>                      | See <i>event</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>PeopleSoft Pure Internet Architecture</b> | The fundamental architecture on which PeopleSoft 8 applications are constructed, consisting of a relational database management system (RDBMS), an application server, a web server, and a browser.                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>performance measurement</b>               | In PeopleSoft Enterprise Incentive Management, a variable used to store data (similar to an aggregator, but without a predefined formula) within the scope of an incentive plan. Performance measures are associated with a plan calendar, territory, and participant. Performance measurements are used for quota calculation and reporting.                                                                                                                                                                                                                                                                        |
| <b>period context</b>                        | In PeopleSoft Enterprise Incentive Management, because a participant typically uses the same compensation plan for multiple periods, the period context associates a plan context with a specific calendar period and fiscal year. The period context references the associated plan context, thus forming a chain. Each plan context has a corresponding set of period contexts.                                                                                                                                                                                                                                    |
| <b>person of interest</b>                    | A person about whom the organization maintains information but who is not part of the workforce.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>personal portfolio</b>                    | In PeopleSoft Enterprise Campus Solutions, the user-accessible menu item that contains an individual's name, address, telephone number, and other personal information.                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>phase</b>                                 | A level 1 task, meaning that if a task had subtasks, the level 1 task would be considered the phase.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>pickup quantity</b>                       | The product quantity that the customer is taking with them from the counter sales environment.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>plan</b>                                  | In PeopleSoft Enterprise Sales Incentive Management, a collection of allocation rules, variables, steps, sections, and incentive rules that instruct the PeopleSoft Enterprise Incentive Management engine in how to process transactions.                                                                                                                                                                                                                                                                                                                                                                           |
| <b>plan context</b>                          | In PeopleSoft Enterprise Incentive Management, correlates a participant with the compensation plan and node to which the participant is assigned, enabling the PeopleSoft Enterprise Incentive Management system to find anything that is associated with the node and that is required to perform compensation processing. Each participant, node, and plan combination represents a unique plan context—if three participants are on a compensation structure, each has a different plan context. Configuration plans are identified by plan contexts and are associated with the participants that refer to them. |
| <b>plan template</b>                         | In PeopleSoft Enterprise Incentive Management, the base from which a plan is created. A plan template contains common sections and variables that are inherited by all plans that are created from the template. A template may contain steps and sections that are not visible in the plan definition.                                                                                                                                                                                                                                                                                                              |
| <b>planned learning</b>                      | In PeopleSoft Enterprise Learning Management, a self-service repository for all of a learner's planned learning activities and programs.                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>planning instance</b>                     | In PeopleSoft Enterprise Supply Planning, a set of data (business units, items, supplies, and demands) constituting the inputs and outputs of a supply plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>population</b>                            | In PeopleSoft Enterprise Campus Solutions, the middle level of the three-level classification structure that you define in PeopleSoft Enterprise Recruiting and                                                                                                                                                                                                                                                                                                                                                                                                                                                      |

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|                              | Admissions for enrollment management. You can define a population level, link it to other levels, and set enrollment target numbers for it.<br><br>See also <i>division</i> and <i>cohort</i> .                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>portal registry</b>       | In PeopleSoft Enterprise applications, the portal registry is a tree-like structure in which content references are organized, classified, and registered. It is a central repository that defines both the structure and content of a portal through a hierarchical, tree-like structure of folders useful for organizing and securing content references.                                                                                                                                                                                                                                   |
| <b>predecessor task</b>      | A task that you must complete before you start another task.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>price breaks</b>          | In PeopleSoft Strategic Sourcing, a price discount or surcharge that a bidder may apply based on the quantity awarded.                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>price components</b>      | In PeopleSoft Strategic Sourcing, the various components, such as material costs, labor costs, shipping costs, and so on that make up the overall bid price.                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>price list</b>            | Enables you to select products and conditions for which the price list applies to a transaction. During a transaction, the system either determines the product price based on the predefined search hierarchy for the transaction or uses the product's lowest price on any associated, active price lists. This price is used as the basis for any further discounts and surcharges.                                                                                                                                                                                                        |
| <b>price rule</b>            | The conditions that must be met for adjustments to be applied to the base price. Multiple rules can apply when conditions of each rule are met.                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>price rule conditions</b> | Conditions that select the price-by fields, the values for the price-by fields, and the operator that determines how the price-by fields relate to the transaction.                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>price rule key</b>        | The fields that are available to define price rule conditions (which are used to match a transaction) on the price rule.                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>primacy number</b>        | In PeopleSoft Enterprise Campus Solutions, a number that the system uses to prioritize financial aid applications when students are enrolled in multiple academic careers and academic programs at the same time. The Consolidate Academic Statistics process uses the primacy number indicated for both the career and program at the institutional level to determine a student's primary career and program. The system also uses the number to determine the primary student attribute value that is used when you extract data to report on cohorts. The lowest number takes precedence. |
| <b>primary name type</b>     | In PeopleSoft Enterprise Campus Solutions, the name type that is used to link the name stored at the highest level within the system to the lower-level set of names that an individual provides.                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>process category</b>      | In PeopleSoft Process Scheduler, processes that are grouped for server load balancing and prioritization.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>process group</b>         | In PeopleSoft Enterprise Financials, a group of application processes (performed in a defined order) that users can initiate in real time, directly from a transaction entry page.                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>process definition</b>    | Process definitions define each run request.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>process instance</b>      | A unique number that identifies each process request. This value is automatically incremented and assigned to each requested process when the process is submitted to run.                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>process job</b>           | You can link process definitions into a job request and process each request serially or in parallel. You can also initiate subsequent processes based on the return code from each prior request.                                                                                                                                                                                                                                                                                                                                                                                            |

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| <b>process request</b>     | A single run request, such as a Structured Query Report (SQR), a COBOL or Application Engine program, or a Crystal report that you run through PeopleSoft Process Scheduler.                                                                                                                                                                                                                                                             |
| <b>process run control</b> | A PeopleTools variable used to retain PeopleSoft Process Scheduler values needed at runtime for all requests that reference a run control ID. Do not confuse these with application run controls, which may be defined with the same run control ID, but only contain information specific to a given application process request.                                                                                                       |
| <b>product</b>             | A PeopleSoft Enterprise or third-party product. PeopleSoft organizes its software products into product families and product lines. Interactive Services Repository contains information about every release of every product that PeopleSoft sells, as well as products from certified third-party companies. These products appear with the product name and release number.                                                           |
| <b>product adds</b>        | The pricing functionality where buying product A gets product B for free or at a price (formerly referred to as <i>giveaways</i> ).                                                                                                                                                                                                                                                                                                      |
| <b>product bidding</b>     | In PeopleSoft Strategic Sourcing, the placing of a bid on behalf of the bidder, up or down to the bidder's specified amount, so that the bidder can be the leading bidder.                                                                                                                                                                                                                                                               |
| <b>product category</b>    | In PeopleSoft Enterprise Incentive Management, indicates an application in the PeopleSoft Enterprise Incentive Management suite of products. Each transaction in the PeopleSoft Enterprise Incentive Management system is associated with a product category.                                                                                                                                                                            |
| <b>product family</b>      | A group of products that are related by common functionality. The family names that can be searched using Interactive Service Repository are Oracle's PeopleSoft Enterprise, PeopleSoft EnterpriseOne, PeopleSoft World, and third-party, certified partners.                                                                                                                                                                            |
| <b>product line</b>        | The name of a PeopleSoft Enterprise product line or the company name of a third-party certified partner. Integration Services Repository enables you to search for integration points by product line.                                                                                                                                                                                                                                   |
| <b>programs</b>            | In PeopleSoft Enterprise Learning Management, a high-level grouping that guides the learner along a specific learning path through sections of catalog items. PeopleSoft Enterprise Learning Systems provides two types of programs—curricula and certifications.                                                                                                                                                                        |
| <b>progress log</b>        | In PeopleSoft Enterprise Services Procurement, tracks deliverable-based projects. This is similar to the time sheet in function and process. The service provider contact uses the progress log to record and submit progress on deliverables. The progress can be logged by the activity that is performed, by the percentage of work that is completed, or by the completion of milestone activities that are defined for the project. |
| <b>project transaction</b> | In PeopleSoft Enterprise Project Costing, an individual transaction line that represents a cost, time, budget, or other transaction row.                                                                                                                                                                                                                                                                                                 |
| <b>promotion</b>           | In PeopleSoft Enterprise Promotions Management, a trade promotion, which is typically funded from trade dollars and used by consumer products manufacturers to increase sales volume.                                                                                                                                                                                                                                                    |
| <b>prospects</b>           | In PeopleSoft Enterprise Campus Solutions, students who are interested in applying to the institution.<br><br>In PeopleSoft Enterprise Contributor Relations, individuals and organizations that are most likely to make substantial financial commitments or other types of commitments to the institution.                                                                                                                             |
| <b>proxy bidding</b>       | In PeopleSoft Strategic Sourcing, the placing of a bid on behalf of the bidder, up or down to the bidder's specified amount, so that the bidder can be the leading bidder.                                                                                                                                                                                                                                                               |

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| <b>publishing</b>              | In PeopleSoft Enterprise Incentive Management, a stage in processing that makes incentive-related results available to participants.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <b>rating components</b>       | In PeopleSoft Enterprise Campus Solutions, variables used with the Equation Editor to retrieve specified populations.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>record group</b>            | A set of logically and functionally related control tables and views. Record groups help enable TableSet sharing, which eliminates redundant data entry. Record groups ensure that TableSet sharing is applied consistently across all related tables and views.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>record input VAT flag</b>   | Abbreviation for <i>record input value-added tax flag</i> . Within PeopleSoft Enterprise Purchasing, Payables, and General Ledger, this flag indicates that you are recording input VAT on the transaction. This flag, in conjunction with the record output VAT flag, is used to determine the accounting entries created for a transaction and to determine how a transaction is reported on the VAT return. For all cases within Purchasing and Payables where VAT information is tracked on a transaction, this flag is set to Yes. This flag is not used in PeopleSoft Enterprise Order Management, Billing, or Receivables, where it is assumed that you are always recording only output VAT, or in PeopleSoft Enterprise Expenses, where it is assumed that you are always recording only input VAT. |
| <b>record output VAT flag</b>  | Abbreviation for <i>record output value-added tax flag</i> .<br>See <i>record input VAT flag</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>recname</b>                 | The name of a record that is used to determine the associated field to match a value or set of values.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>recognition</b>             | In PeopleSoft Enterprise Campus Solutions, the recognition type indicates whether the PeopleSoft Enterprise Contributor Relations donor is the primary donor of a commitment or shares the credit for a donation. Primary donors receive hard credit that must total 100 percent. Donors that share the credit are given soft credit. Institutions can also define other share recognition-type values such as memo credit or vehicle credit.                                                                                                                                                                                                                                                                                                                                                                |
| <b>reference data</b>          | In PeopleSoft Enterprise Sales Incentive Management, system objects that represent the sales organization, such as territories, participants, products, customers, and channels.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>reference object</b>        | In PeopleSoft Enterprise Incentive Management, this dimension-type object further defines the business. Reference objects can have their own hierarchy (for example, product tree, customer tree, industry tree, and geography tree).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>reference transaction</b>   | In commitment control, a reference transaction is a source transaction that is referenced by a higher-level (and usually later) source transaction, in order to automatically reverse all or part of the referenced transaction's budget-checked amount. This avoids duplicate postings during the sequential entry of the transaction at different commitment levels. For example, the amount of an encumbrance transaction (such as a purchase order) will, when checked and recorded against a budget, cause the system to concurrently reference and relieve all or part of the amount of a corresponding pre-encumbrance transaction, such as a purchase requisition.                                                                                                                                   |
| <b>regional sourcing</b>       | In PeopleSoft Enterprise Purchasing, provides the infrastructure to maintain, display, and select an appropriate vendor and vendor pricing structure that is based on a regional sourcing model where the multiple ship to locations are grouped. Sourcing may occur at a level higher than the ship to location.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>relationship object</b>     | In PeopleSoft Enterprise Incentive Management, these objects further define a compensation structure to resolve transactions by establishing associations between compensation objects and business objects.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>remote data source data</b> | Data that is extracted from a separate database and migrated into the local database.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |

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| <b>REN server</b>           | Abbreviation for <i>real-time event notification server</i> in PeopleSoft MultiChannel Framework.                                                                                                                                                                                                                                                                     |
| <b>requester</b>            | In PeopleSoft Enterprise eSettlements, an individual who requests goods or services and whose ID appears on the various procurement pages that reference purchase orders.                                                                                                                                                                                             |
| <b>reservations</b>         | In PeopleSoft Expenses, travel reservations that have been placed with the travel vendor.                                                                                                                                                                                                                                                                             |
| <b>reversal indicator</b>   | In PeopleSoft Enterprise Campus Solutions, an indicator that denotes when a particular payment has been reversed, usually because of insufficient funds.                                                                                                                                                                                                              |
| <b>RFI event</b>            | In PeopleSoft Strategic Sourcing, a request for information.                                                                                                                                                                                                                                                                                                          |
| <b>RFx event</b>            | In PeopleSoft Strategic Sourcing, a request for proposal or request for a quote event when bidders submit their overall best bids and during which bidders do not actively compete against one another.                                                                                                                                                               |
| <b>role</b>                 | Describes how people fit into PeopleSoft Workflow. A role is a class of users who perform the same type of work, such as clerks or managers. Your business rules typically specify what user role needs to do an activity.                                                                                                                                            |
| <b>role user</b>            | A PeopleSoft Workflow user. A person's role user ID serves much the same purpose as a user ID does in other parts of the system. PeopleSoft Workflow uses role user IDs to determine how to route worklist items to users (through an email address, for example) and to track the roles that users play in the workflow. Role users do not need PeopleSoft user IDs. |
| <b>roll up</b>              | In a tree, to roll up is to total sums based on the information hierarchy.                                                                                                                                                                                                                                                                                            |
| <b>run control</b>          | A run control is a type of online page that is used to begin a process, such as the batch processing of a payroll run. Run control pages generally start a program that manipulates data.                                                                                                                                                                             |
| <b>run control ID</b>       | A unique ID to associate each user with his or her own run control table entries.                                                                                                                                                                                                                                                                                     |
| <b>run-level context</b>    | In PeopleSoft Enterprise Incentive Management, associates a particular run (and batch ID) with a period context and plan context. Every plan context that participates in a run has a separate run-level context. Because a run cannot span periods, only one run-level context is associated with each plan context.                                                 |
| <b>saved bid</b>            | In PeopleSoft Strategic Sourcing, a bid that has been created but not submitted. Only submitted bids are eligible for award.                                                                                                                                                                                                                                          |
| <b>score</b>                | In PeopleSoft Strategic Sourcing, the numerical sum of answers (percentages) to bid factors on an event. Scores appear only to bidders on auction events.                                                                                                                                                                                                             |
| <b>SCP SCBM XML message</b> | Abbreviation for <i>Supply Chain Planning Supply Chain Business Modeler Extensible Markup Language message</i> . Supply Chain Business Modeler uses XML as the format for all data that it imports and exports.                                                                                                                                                       |
| <b>search query</b>         | You use this set of objects to pass a query string and operators to the search engine. The search index returns a set of matching results with keys to the source documents.                                                                                                                                                                                          |
| <b>search/match</b>         | In PeopleSoft Enterprise Campus Solutions and PeopleSoft Enterprise Human Resources Management Solutions, a feature that enables you to search for and identify duplicate records in the database.                                                                                                                                                                    |
| <b>seasonal address</b>     | In PeopleSoft Enterprise Campus Solutions, an address that recurs for the same length of time at the same time of year each year until adjusted or deleted.                                                                                                                                                                                                           |

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| <b>section</b>                 | In PeopleSoft Enterprise Incentive Management, a collection of incentive rules that operate on transactions of a specific type. Sections enable plans to be segmented to process logical events in different sections.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>security event</b>          | In commitment control, security events trigger security authorization checking, such as budget entries, transfers, and adjustments; exception overrides and notifications; and inquiries.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>sell event</b>              | In PeopleSoft Strategic Sourcing, for event creators, the sale of goods or services most typically associated with forward auctions. For bidders, the purchase of goods or services.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>serial genealogy</b>        | In PeopleSoft Enterprise Manufacturing, the ability to track the composition of a specific, serial-controlled item.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <b>serial in production</b>    | In PeopleSoft Enterprise Manufacturing, enables the tracing of serial information for manufactured items. This is maintained in the Item Master record.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>service impact</b>          | In PeopleSoft Enterprise Campus Solutions, the resulting action triggered by a service indicator. For example, a service indicator that reflects nonpayment of account balances by a student might result in a service impact that prohibits registration for classes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>service indicator</b>       | In PeopleSoft Enterprise Campus Solutions, indicates services that may be either withheld or provided to an individual. Negative service indicators indicate holds that prevent the individual from receiving specified services, such as check-cashing privileges or registration for classes. Positive service indicators designate special services that are provided to the individual, such as front-of-line service or special services for disabled students.                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>session</b>                 | <p>In PeopleSoft Enterprise Campus Solutions, time elements that subdivide a term into multiple time periods during which classes are offered. In PeopleSoft Enterprise Contributor Relations, a session is the means of validating gift, pledge, membership, or adjustment data entry . It controls access to the data entered by a specific user ID. Sessions are balanced, queued, and then posted to the institution's financial system. Sessions must be posted to enter a matching gift or pledge payment, to make an adjustment, or to process giving clubs or acknowledgements.</p> <p>In PeopleSoft Enterprise Learning Management, a single meeting day of an activity (that is, the period of time between start and finish times within a day). The session stores the specific date, location, meeting time, and instructor. Sessions are used for scheduled training.</p> |
| <b>session template</b>        | In PeopleSoft Enterprise Learning Management, enables you to set up common activity characteristics that may be reused while scheduling a PeopleSoft Enterprise Learning Management activity—characteristics such as days of the week, start and end times, facility and room assignments, instructors, and equipment. A session pattern template can be attached to an activity that is being scheduled. Attaching a template to an activity causes all of the default template information to populate the activity session pattern.                                                                                                                                                                                                                                                                                                                                                  |
| <b>setup relationship</b>      | In PeopleSoft Enterprise Incentive Management, a relationship object type that associates a configuration plan with any structure node.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>share driver expression</b> | In PeopleSoft Enterprise Business Planning, a named planning method similar to a driver expression, but which you can set up globally for shared use within a single planning application or to be shared between multiple planning applications through PeopleSoft Enterprise Warehouse.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>short-term customer</b>     | A customer not in the system who is entered during sales order entry using a template.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |

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| <b>single signon</b>         | With single signon, users can, after being authenticated by a PeopleSoft Enterprise application server, access a second PeopleSoft Enterprise application server without entering a user ID or password.                                                                                                                                                                                                                                                                                                   |
| <b>source key process</b>    | In PeopleSoft Enterprise Campus Solutions, a process that relates a particular transaction to the source of the charge or financial aid. On selected pages, you can drill down into particular charges.                                                                                                                                                                                                                                                                                                    |
| <b>source transaction</b>    | In commitment control, any transaction generated in a PeopleSoft Enterprise or third-party application that is integrated with commitment control and which can be checked against commitment control budgets. For example, a pre-encumbrance, encumbrance, expenditure, recognized revenue, or collected revenue transaction.                                                                                                                                                                             |
| <b>sourcing objective</b>    | For constraints, the option to designate whether a business rule is required (mandatory) or is only recommended (target).                                                                                                                                                                                                                                                                                                                                                                                  |
| <b>speed key</b>             | See <i>communication key</i> .                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>SpeedChart</b>            | A user-defined shorthand key that designates several ChartKeys to be used for voucher entry. Percentages can optionally be related to each ChartKey in a SpeedChart definition.                                                                                                                                                                                                                                                                                                                            |
| <b>SpeedType</b>             | A code representing a combination of ChartField values. SpeedTypes simplify the entry of ChartFields commonly used together.                                                                                                                                                                                                                                                                                                                                                                               |
| <b>staging</b>               | A method of consolidating selected partner offerings with the offerings from the enterprise's other partners.                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>standard letter code</b>  | In PeopleSoft Enterprise Campus Solutions, a standard letter code used to identify each letter template available for use in mail merge functions. Every letter generated in the system must have a standard letter code identification.                                                                                                                                                                                                                                                                   |
| <b>statutory account</b>     | Account required by a regulatory authority for recording and reporting financial results. In PeopleSoft Enterprise, this is equivalent to the Alternate Account (ALTACCT) ChartField.                                                                                                                                                                                                                                                                                                                      |
| <b>step</b>                  | In PeopleSoft Enterprise Sales Incentive Management, a collection of sections in a plan. Each step corresponds to a step in the job run.                                                                                                                                                                                                                                                                                                                                                                   |
| <b>storage level</b>         | In PeopleSoft Enterprise Inventory, identifies the level of a material storage location. Material storage locations are made up of a business unit, a storage area, and a storage level. You can set up to four storage levels.                                                                                                                                                                                                                                                                            |
| <b>subcustomer qualifier</b> | A value that groups customers into a division for which you can generate detailed history, aging, events, and profiles.                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Summary ChartField</b>    | You use summary ChartFields to create summary ledgers that roll up detail amounts based on specific detail values or on selected tree nodes. When detail values are summarized using tree nodes, summary ChartFields must be used in the summary ledger data record to accommodate the maximum length of a node name (20 characters).                                                                                                                                                                      |
| <b>summary ledger</b>        | An accounting feature used primarily in allocations, inquiries, and PS/nVision reporting to store combined account balances from detail ledgers. Summary ledgers increase speed and efficiency of reporting by eliminating the need to summarize detail ledger balances each time a report is requested. Instead, detail balances are summarized in a background process according to user-specified criteria and stored on summary ledgers. The summary ledgers are then accessed directly for reporting. |
| <b>summary time period</b>   | In PeopleSoft Enterprise Business Planning, any time period (other than a base time period) that is an aggregate of other time periods, including other summary time periods and base time periods, such as quarter and year total.                                                                                                                                                                                                                                                                        |

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| <b>summary tree</b>     | A tree used to roll up accounts for each type of report in summary ledgers. Summary trees enable you to define trees on trees. In a summary tree, the detail values are really nodes on a detail tree or another summary tree (known as the <i>basis</i> tree). A summary tree structure specifies the details on which the summary trees are to be built.                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>syndicate</b>        | To distribute a production version of the enterprise catalog to partners.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <b>system function</b>  | In PeopleSoft Enterprise Receivables, an activity that defines how the system generates accounting entries for the general ledger.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>system source</b>    | <p>The system source identifies the source of a transaction row in the database. For example, a transaction that originates in PeopleSoft Enterprise Expenses contains a system source code of BEX (Expenses Batch).</p> <p>When PeopleSoft Enterprise Project Costing prices the source transaction row for billing, the system creates a new row with a system source code of PRP (Project Costing pricing), which represents the system source of the new row. System source codes can identify sources that are internal or external to the PeopleSoft Enterprise system. For example, processes that import data from Microsoft Project into PeopleSoft Enterprise applications create transaction rows with a source code of MSP (Microsoft Project).</p> |
| <b>TableSet</b>         | A means of sharing similar sets of values in control tables, where the actual data values are different but the structure of the tables is the same.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>TableSet sharing</b> | Shared data that is stored in many tables that are based on the same TableSets. Tables that use TableSet sharing contain the SETID field as an additional key or unique identifier.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>target currency</b>  | The value of the entry currency or currencies converted to a single currency for budget viewing and inquiry purposes.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| <b>task</b>             | A deliverable item on the detailed sourcing plan.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| <b>tax authority</b>    | In PeopleSoft Enterprise Campus Solutions, a user-defined element that combines a description and percentage of a tax with an account type, an item type, and a service impact.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| <b>template</b>         | A template is HTML code associated with a web page. It defines the layout of the page and also where to get HTML for each part of the page. In PeopleSoft Enterprise, you use templates to build a page by combining HTML from a number of sources. For a PeopleSoft Enterprise portal, all templates must be registered in the portal registry, and each content reference must be assigned a template.                                                                                                                                                                                                                                                                                                                                                        |
| <b>tenant</b>           | In PeopleSoft Real Estate Management, an entity that leases real estate from a landlord.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| <b>territory</b>        | In PeopleSoft Enterprise Sales Incentive Management, hierarchical relationships of business objects, including regions, products, customers, industries, and participants.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| <b>third party</b>      | A company or vendor that has extensive PeopleSoft Enterprise product knowledge and whose products and integrations have been certified and are compatible with PeopleSoft Enterprise applications.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| <b>tiered pricing</b>   | Enables different portions of a schedule to be priced differently from one another.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <b>time span</b>        | A relative period, such as year-to-date or current period, that various PeopleSoft General Ledger functions and reports can use when a rolling time frame, rather than a specific date, is required.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| <b>total cost</b>       | In PeopleSoft Strategic Sourcing, the estimated dollar cost (sum of real price dollars and potential “soft” or non-price dollars) of a particular award approach.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |

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| <b>travel group</b>                | In PeopleSoft Expenses, the organization's travel rules and policies that are associated with specific business units, departments, or employees. You must define at least one travel group when setting up the PeopleSoft Expenses travel feature. You must define and associate at least one travel group with a travel vendor.                                                                                                                                                       |
| <b>travel partner</b>              | In PeopleSoft Expenses, the travel vendor with which the organization has a contractual relationship.                                                                                                                                                                                                                                                                                                                                                                                   |
| <b>3C engine</b>                   | Abbreviation for <i>Communications, Checklists, and Comments engine</i> . In PeopleSoft Enterprise Campus Solutions, the 3C engine enables you to automate business processes that involve additions, deletions, and updates to communications, checklists, and comments. You define events and triggers to engage the engine, which runs the mass change and processes the 3C records (for individuals or organizations) immediately and automatically from within business processes. |
| <b>3C group</b>                    | Abbreviation for <i>Communications, Checklists, and Comments group</i> . In PeopleSoft Enterprise Campus Solutions, a method of assigning or restricting access privileges. A 3C group enables you to group specific communication categories, checklist codes, and comment categories. You can then assign the group inquiry-only access or update access, as appropriate.                                                                                                             |
| <b>trace usage</b>                 | In PeopleSoft Enterprise Manufacturing, enables the control of which components will be traced during the manufacturing process. Serial- and lot-controlled components can be traced. This is maintained in the Item Master record.                                                                                                                                                                                                                                                     |
| <b>transaction allocation</b>      | In PeopleSoft Enterprise Incentive Management, the process of identifying the owner of a transaction. When a raw transaction from a batch is allocated to a plan context, the transaction is duplicated in the PeopleSoft Enterprise Incentive Management transaction tables.                                                                                                                                                                                                           |
| <b>transaction state</b>           | In PeopleSoft Enterprise Incentive Management, a value assigned by an incentive rule to a transaction. Transaction states enable sections to process only transactions that are at a specific stage in system processing. After being successfully processed, transactions may be promoted to the next transaction state and "picked up" by a different section for further processing.                                                                                                 |
| <b>Translate table</b>             | A system edit table that stores codes and translate values for the miscellaneous fields in the database that do not warrant individual edit tables of their own.                                                                                                                                                                                                                                                                                                                        |
| <b>tree</b>                        | The graphical hierarchy in PeopleSoft Enterprise systems that displays the relationship between all accounting units (for example, corporate divisions, projects, reporting groups, account numbers) and determines roll-up hierarchies.                                                                                                                                                                                                                                                |
| <b>tuition lock</b>                | In PeopleSoft Enterprise Campus Solutions, a feature in the Tuition Calculation process that enables you to specify a point in a term after which students are charged a minimum (or <i>locked</i> ) fee amount. Students are charged the locked fee amount even if they later drop classes and take less than the normal load level for that tuition charge.                                                                                                                           |
| <b>unclaimed transaction</b>       | In PeopleSoft Enterprise Incentive Management, a transaction that is not claimed by a node or participant after the allocation process has completed, usually due to missing or incomplete data. Unclaimed transactions may be manually assigned to the appropriate node or participant by a compensation administrator.                                                                                                                                                                |
| <b>universal navigation header</b> | Every PeopleSoft Enterprise portal includes the universal navigation header, intended to appear at the top of every page as long as the user is signed on to the portal. In addition to providing access to the standard navigation buttons (like Home, Favorites, and signoff) the universal navigation header can also display a welcome message for each user.                                                                                                                       |
| <b>update access</b>               | In PeopleSoft Enterprise Campus Solutions, a type of security access that permits the user to edit and update data.                                                                                                                                                                                                                                                                                                                                                                     |

See also *inquiry access*.

|                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
|--------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>user interaction object</b> | In PeopleSoft Enterprise Sales Incentive Management, used to define the reporting components and reports that a participant can access in his or her context. All PeopleSoft Enterprise Sales Incentive Management user interface objects and reports are registered as user interaction objects. User interaction objects can be linked to a compensation structure node through a compensation relationship object (individually or as groups). |
| <b>variable</b>                | In PeopleSoft Enterprise Sales Incentive Management, the intermediate results of calculations. Variables hold the calculation results and are then inputs to other calculations. Variables can be plan variables that persist beyond the run of an engine or local variables that exist only during the processing of a section.                                                                                                                  |
| <b>VAT exception</b>           | Abbreviation for <i>value-added tax exception</i> . A temporary or permanent exemption from paying VAT that is granted to an organization. This term refers to both VAT exoneration and VAT suspension.                                                                                                                                                                                                                                           |
| <b>VAT exempt</b>              | Abbreviation for <i>value-added tax exempt</i> . Describes goods and services that are not subject to VAT. Organizations that supply exempt goods or services are unable to recover the related input VAT. This is also referred to as exempt without recovery.                                                                                                                                                                                   |
| <b>VAT exoneration</b>         | Abbreviation for <i>value-added tax exoneration</i> . An organization that has been granted a permanent exemption from paying VAT due to the nature of that organization.                                                                                                                                                                                                                                                                         |
| <b>VAT suspension</b>          | Abbreviation for <i>value-added tax suspension</i> . An organization that has been granted a temporary exemption from paying VAT.                                                                                                                                                                                                                                                                                                                 |
| <b>warehouse</b>               | A PeopleSoft Enterprise data warehouse that consists of predefined ETL maps, data warehouse tools, and DataMart definitions.                                                                                                                                                                                                                                                                                                                      |
| <b>weight or weighting</b>     | In PeopleSoft Strategic Sourcing, how important the line or question is to the overall event. Weighting is used to score and analyze bids. For RFx and RFI events, weightings may or may not appear to bidders.                                                                                                                                                                                                                                   |
| <b>work order</b>              | In PeopleSoft Enterprise Services Procurement, enables an enterprise to create resource-based and deliverable-based transactions that specify the basic terms and conditions for hiring a specific service provider. When a service provider is hired, the service provider logs time or progress against the work order.                                                                                                                         |
| <b>worker</b>                  | A person who is part of the workforce; an employee or a contingent worker.                                                                                                                                                                                                                                                                                                                                                                        |
| <b>workset</b>                 | A group of people and organizations that are linked together as a set. You can use worksets to simultaneously retrieve the data for a group of people and organizations and work with the information on a single page.                                                                                                                                                                                                                           |
| <b>worksheet</b>               | A way of presenting data through a PeopleSoft Enterprise Business Analysis Modeler interface that enables users to do in-depth analysis using pivoting tables, charts, notes, and history information.                                                                                                                                                                                                                                            |
| <b>worklist</b>                | The automated to-do list that PeopleSoft Workflow creates. From the worklist, you can directly access the pages you need to perform the next action, and then return to the worklist for another item.                                                                                                                                                                                                                                            |
| <b>XML link</b>                | The XML Linking language enables you to insert elements into XML documents to create a links between resources.                                                                                                                                                                                                                                                                                                                                   |
| <b>XML schema</b>              | An XML definition that standardizes the representation of application messages, component interfaces, or business interlinks.                                                                                                                                                                                                                                                                                                                     |
| <b>XPI</b>                     | Abbreviation for <i>eXtended Process Integrator</i> . PeopleSoft XPI is the integration infrastructure that enables both real-time and batch communication with JD Edwards EnterpriseOne applications.                                                                                                                                                                                                                                            |

**yield by operation**

In PeopleSoft Enterprise Manufacturing, the ability to plan the loss of a manufactured item on an operation-by-operation basis.

**zero-rated VAT**

Abbreviation for *zero-rated value-added tax*. A VAT transaction with a VAT code that has a tax percent of zero. Used to track taxable VAT activity where no actual VAT amount is charged. Organizations that supply zero-rated goods and services can still recover the related input VAT. This is also referred to as exempt with recovery.



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