Allocating Affordable Care Act Fee to Restricted Sponsored Program (RC) Accounts

Effective January 2015, Affordable Care Act (ACA) fees will be charged to department accounts for eligible employees as determined by HR. Although the fee will be allowable on RC accounts, an RC account cannot be used as the default ACA fee account provided to HR by a department. For questions regarding the fee, eligibility of employees, or what department account will be charged, please contact HR at hr.ACAHealthFeeInfo@hr.msu.edu or visit http://www.hr.msu.edu/healthystate/.

Once charged to the department, the expected ACA fee of $417 can be allocated to the appropriate account(s), including RC accounts, using a Distribution of Income and Expense (DI) form in KFS. To be consistent with MSU procedures, if the fee is being reallocated, it must be divided evenly amongst the accounts on which the staff member was paid for the month and **not** be allocated based on effort/number of hours worked on each account. (Please note, if reallocating to an RC account after 90 days, a General Error Correction must be used as this will be considered a late cost transfer.) The instructions/examples below will assist in the timely processing of the reallocations.

1. Determine the accounts to which the fee should be allocated. As a reminder, payroll account information is available in BI report HRP062 titled Salary Distribution by Person.

2. Create a PDF of the report you run for each individual.

3. Initiate a DI in the KFS system after the ACA Fee is charged to the department/default account.

4. Description should read "Distribute ACA Fee"

5. Explanation should read "Distribute the (MONTH, YEAR) ACA Fee to (ACCOUNT/S) for (EMPLOYEE NAME)". The accounts listed should represent the number of projects the individual worked on throughout the month.

Distribution Of Income And Expense ?		Doc Nbr: 60985
		Initiator: lemke

Document Overview	▾ hide		
Document Overview			
* **Description:** Distribute ACA Fee		**Explanation:**	Distribute the January 2015 ACA Fee to RC55555 for John Doe.
Organization Document Number:			
Secured Field:			
Financial Document Detail			

6. The "From" accounting line should reflect the department account the ACA fee was billed to, object code #6645, and the total amount billed.

7. The "To" accounting line should reflect the account(s) that the employee worked on for that month, object code #6645, and the amount to allocate. Please remember to equally distribute the total amount of the fee between all accounts being charged.

8. Attach the PDF you created for documentation.

| Accounting Lines | | | | | | | | hide | |

Accounting Lines ?

From

	* Chart	* Account	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount
add:	MS ∨ MICHIGAN STATE UNIVERSITY	GA11111		6645 ACA HEALTH FEE				417.00
	Line Description							

To

	* Chart	* Account	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount
add:	MS ∨ MICHIGAN STATE UNIVERSITY	RC55555		6645 ACA HEALTH FEE				417.00
	Line Description							

Accounting Lines for Capitalization	▶ show
Create Capital Assets	▶ show
Modify Capital Assets	▶ show
General Ledger Pending Entries	▶ show
Notes and Attachments (0)	▶ show

FAQ's

Q: What if the employee worked on two RC accounts for the month of January?

A: The total amount must be evenly allocated between the two accounts.

| Accounting Lines | | | | | | | | hide | |

Accounting Lines ?

From

	* Chart	* Account	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount
add:	MS ∨ MICHIGAN STATE UNIVERSITY	GA111111		6645 ACA HEALTH FEE				417.00
	Line Description							
								Total: 0.00

To

	* Chart	* Account	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount
add:	MS ∨ MICHIGAN STATE UNIVERSITY	RC555555		6645 ACA HEALTH FEE				208.50
	Line Description							
	MS ∨ MICHIGAN STATE UNIVERSITY	RC888888		6645 ACA HEALTH FEE				208.50

Q: What if the employee worked on three RC accounts and one unrestricted account for the month of January?

A: The total amount must be evenly allocated between the four accounts.

Accounting Lines								hide	

Accounting Lines ?

From

	* Chart	* Account	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount
add:	MS ˅ MICHIGAN STATE UNIVERSITY	GA111111		6645 ACA HEALTH FEE				417.00
	Line Description							

Total: 0.00

To

	* Chart	* Account	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount
add:	MS ˅ MICHIGAN STATE UNIVERSITY	DS121212		6645 ACA HEALTH FEE				104.25
	Line Description							

	* Chart	* Account	Sub-Account	* Object	Sub-Object	Project	Org Ref Id	* Amount
2	MS ˅ MICHIGAN STATE UNIVERSITY	RC555555		6645 ACA HEALTH FEE				104.25
	Line Description							
3	MS ˅ MICHIGAN STATE UNIVERSITY	RC888888		6645 ACA HEALTH FEE				104.25
	Line Description							
4	MS ˅ MICHIGAN STATE UNIVERSITY	RC777777		6645 ACA HEALTH FEE				104.25
	Line Description							

Q: What if the employee only worked one hour on RC55555 and the rest of their time on RC11111 for the month of January?

A: The total amount must be evenly allocated between the two RC accounts and not based off of the number of hours worked.

For additional information and questions regarding charging the ACA fee to RC accounts, please contact Contract and

Grant Administration, Transactions Group at transactions@cga.msu.edu.