Suspense Transactions

Definition and Business Purpose

In general, “suspense” is defined as charges that are not in their final destination and require adjustment or change. At Yale, what we formally consider to be “suspense accounts” have two primary business purposes:

a) System-generated Labor Suspense – When the standard payroll process runs, the process will not complete (and payment cannot be made) if there are invalid Chart of Accounts (“COA”) combinations. For any invalid COA combinations, the Financial Systems and Solutions team will apply the system-generated Labor Suspense COA:

   - YD000001.CCxxxx.PG99999.PJ000001.FD01
   - Cost Center is the home cost center of the Employee on the labor transaction.

b) Manual Transaction Suspense – The primary reasons for putting a transaction in suspense is related to sponsored awards:

   - Pending system setup - the Award and Grant have not been established in the accounting system. Users will put the transaction into suspense in one of the following two projects (the remainder of the COA is locally-determined):
     - PJ028458 – Labor Suspense (Temp Charging – Payroll Only – to be Cleared)
     - PJ101291 – Non-Labor Suspense (Temp Charging – Non-Payroll Only – to be Cleared)

   - Rejected cost transfers - If the Office of Sponsored Projects (“OSP”) rejects a cost transfer which is crediting a sponsored award, OSP must process a new cost transfer that removes the costs from the incorrect sponsored award and debits a departmental suspense account. To assist departments in identifying these entries, any entry done by OSP in these cases, will utilize the following projects:
     - PJ105201 Cost Transfers denied by OSP – Payroll Only
     - PJ105202 Cost Transfers denied by OSP – Non-Payroll Only

Review and Clearing of Suspense Accounts

All departments are responsible for completing the monthly Financial Review Checklist. This checklist contains information and instructions on how to monitor suspense account balances. Suspense accounts are defined as any COA combination containing one of the following segments:

   - PG99999 Transaction Suspense - SYSTEM-GENERATED (52)
   - PJ028458 – Labor Suspense (Temp Charging – Payroll Only – to be Cleared)
   - PJ101291 – Non-Labor Suspense (Temp Charging – Non-Payroll Only – to be Cleared)
   - PJ105201 – Cost Transfers denied by OSP – Payroll Only
   - PJ105202 – Cost Transfers denied by OSP – Non-Payroll Only

Suspense accounts must be cleared on a timely basis; labor suspense must be cleared prior to effort certification on Grants. Labor suspense balances must be cleared via a Payroll Accounting Adjustment (PAA). Non-labor transactions may be changed via an operational process (if available) or a manual journal entry. If using a
manual journal entry, please ensure that the true/natural ledger accounts are used to move the costs (ex: Supplies Expense); do not use the ledger accounts for transfers or internal program support.

Clearing labor suspense also requires units to update the current payroll costing for the impacted employee(s). See Assign Payroll Costing User Guide for instructions on payroll costing.