

Calculating cost prices of time-registering resources

Certain units at Aarhus University allocate salary costs in internal accounts (NS Sag) by means of time registration in ProjektTid. Time registration is used by some units at the Faculty of Technical Sciences.

The standard number of working hours is 1,460 hours per year at units that use time registration, and it is an expression of productive hours.¹ The salary cost of a monthly paid employee is calculated by multiplying the number of registered productive hours by the salary cost per productive hour (cost price). By doing so, the salary costs are allocated directly to the cost objects (research) they produce.

The process below describes the activities carried out in connection with calculating and inputting cost prices for time-registered resources in Navision's resource module.

Calculation of cost prices:

When a monthly paid employee is hired by one of the units that use time registration, the person in question is registered as an actual (time registering) resource in Navision. The employee will then have their cost price calculated on the basis of the same month as they receive their first salary. The start date of the cost price will always be 1/1-20xx, regardless of the time of year the employment begins. Every year, the cost prices of all resources are recalculated on the basis of the January salaries.

Calculating cost prices requires a salary basis, since the cost price is calculated on the basis of entries into SLS (the state pay system).

The cost price is calculated on the basis of the predictable salary – the part of the employee's salary that recurs each month, taking into account specific salary types and unadjusted salary (samko) and excluding certain salary elements (e.g. overtime and one-off bonuses).

The cost price calculation includes the monthly payroll cost and FTEs. The cost price is also adjusted upwards by a factor that includes the special holiday allowance and an estimated factor to ensure that the cost price includes the expected salary increase an employee will receive during the year. The expected salary increase is calculated on the basis of an average across job types over the past three years.

Finally, contributions to labour market insurance, the employer's reimbursement system, flexi-job and the parental leave fund are also included. Read more about this in the guide "*Beregning af kostpriser for allokeringssressourcer (ENG)*". The contribution rate is based on the rates for time-registering resources and allocation resources. It is simply adjusted to the 1,460 working hours standard. This means that the contribution rate for time-registering resources = Contribution rate for allocation resources * (1,924/1,460).

¹ The standard number of working hours for allocation resources at AU is 1,924.



Formula for calculating the cost price:

$$Kostpris = \left(\frac{\text{Månedens løn}}{\text{månedens \AA V} \times \text{timenorm}} \times faktor \times \text{estimeret faktor} \right) + \text{bidrag pr. time}$$

- Standard number of working hours = 1,460 hours per year.
- Monthly FTE = for a full-time employee $1/12 = 0.083333$ FTE

The estimated factor can vary between year 1 and subsequent budget years.

The cost prices calculated for new resources employed during the year are not adjusted upwards by the estimated factor for year 1 in connection with the expected annual salary increase. This is because the resources were not employed for the entire year.

The calculation of the 1,460 productive hours and the salary adjustment was approved by PwC, Aarhus University's institutional auditor, on 5 February 2015.

PhD students who receive a PhD SU scholarship (corresponding to two monthly SU grants per month) will have a special cost price equivalent to:

$$\text{Cost price} = \frac{2 \times \text{SU}}{121,67}$$

- 121.67 hours, i.e. the monthly standard working hours for a full-time, time-registering resource ($1,460/12$).

Current rates for factors, contributions and SU are listed in the overview of historical cost prices.

Inputting the cost price and updating case planning lines:

The Resource Unit inputs the calculated cost prices into Navision's resource module directly after the monthly update of resources. The cost price is created as an accrued (date-driven) line in the cost price table per resource, with a start date on 01/01-20xx. In connection with the annual update of cost prices, the case planning lines for the relevant resources will also be updated.

Calculation of cost prices

As a rule, resource cost prices for time-registering resources are updated once a year in January. Furthermore, cost prices remain the same unless a resource changes to a new position that includes a significant change in salary. The latter must be reported directly to the Resource Unit, as it must be done manually.